

Income tax Act, 1961

June 26

Dec 26

June 2026

Regular Batch



- \* Hand written Notes
- \* Questions - 400
- \* MCQ



180 hours

Recorded

June 26 / Dec 26

Regular Batch



- \* Directly ✓ HMX
- \* 400 Q ✓
- \* MCQ ✓



130 hours

May 15<sup>th</sup>

June / Dec 26

EO Batch

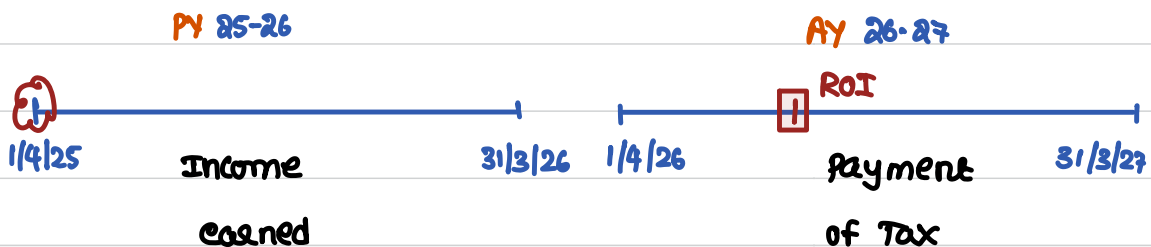


70 Hours

March 16<sup>th</sup>

www.shikharatutorials.in

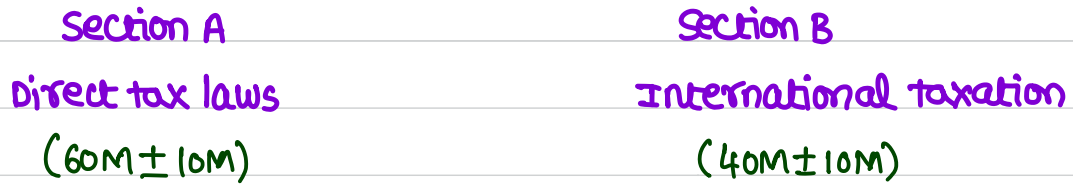
June 26 / Dec 26



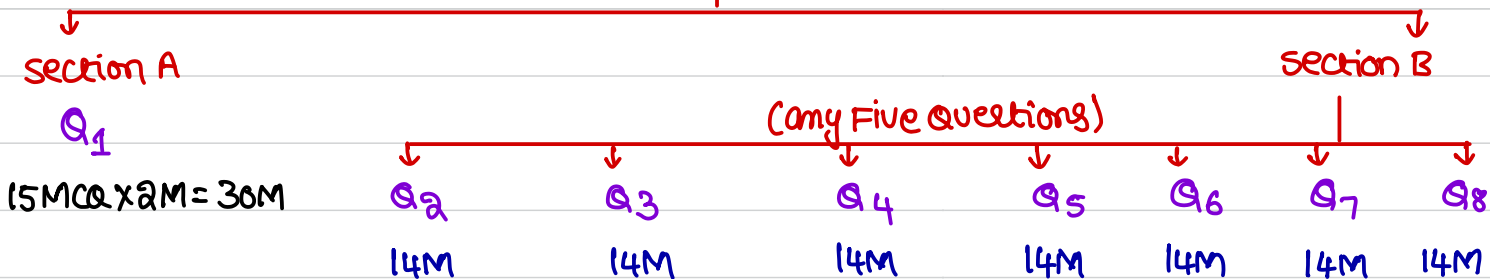
✓ Advance Tax

✓ TDS & TCS

P15: Direct Tax laws & International taxation



Question paper



128 Marks QP

100 Marks

⇒ Applicable for

June 26 / Dec 26

100% English

⇒ Duration

150 - 160 H

⇒ Materials (versions)

Concept Book

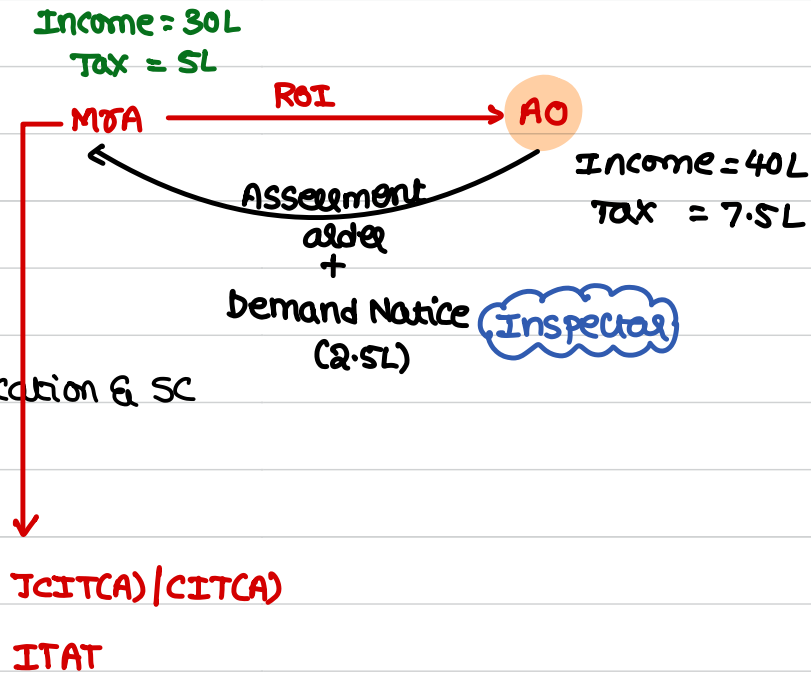
Walk Book

Handwritten Notes  
+ MCQ



Index

1. Basic concepts
2. Return of Income
3. Income tax Authorities
4. Assessment procedures
5. Search, seizure & survey
6. Appeals & Revision and Rectification & SC
7. Collection & Recovery and Refund
8. Advance Tax & Interest
9. updated Return



10. Business Restructuring & Reconstruction HC
11. PUBP SC
12. Tax Audit
13. Capital gains
14. IFOS
15. Assessment of various entities.
16. Trust



17. Tax planning & Tax Avoidance & Tax Evasion and Tax management. }

18. GAAR

19. Equalisation levy

20. liabilities in special cases

21. Black money

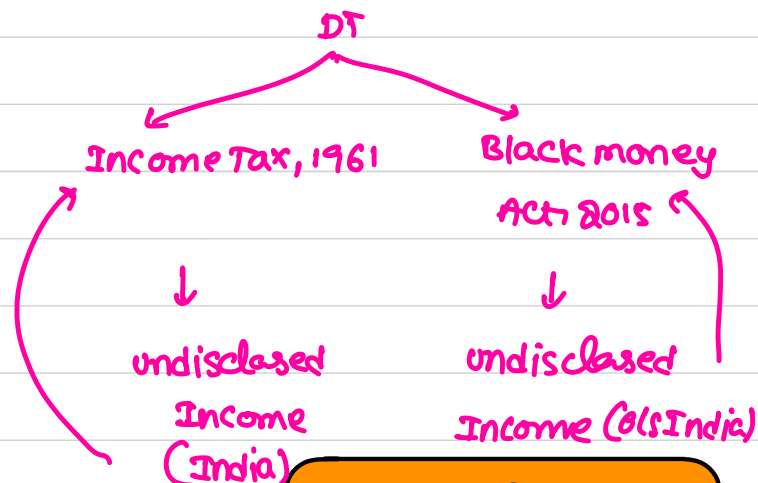
22. Dispute Resolution Committee

23. DTAA

24. Non-Resident

25. Advance Ruling

26. Transfer pricing.



27. penalties & prosecution

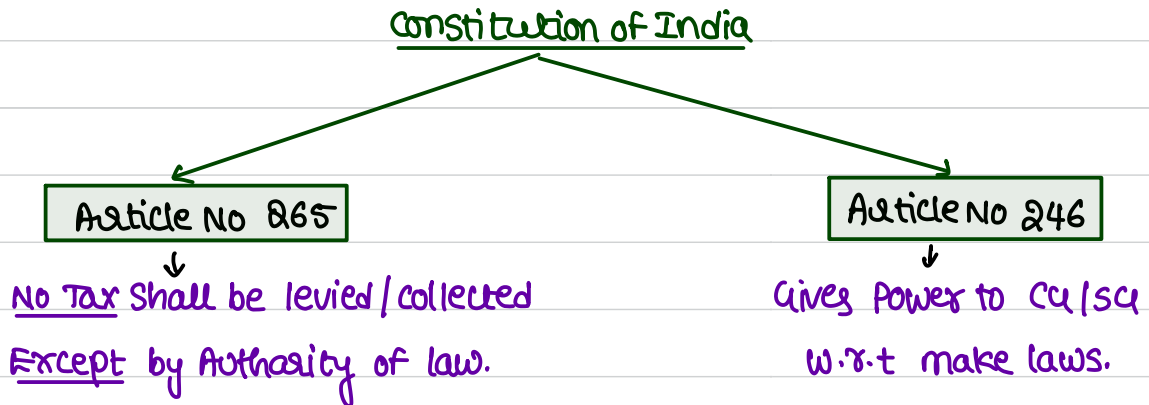
28. ICDS 10

29. Chapter IIIA deductions

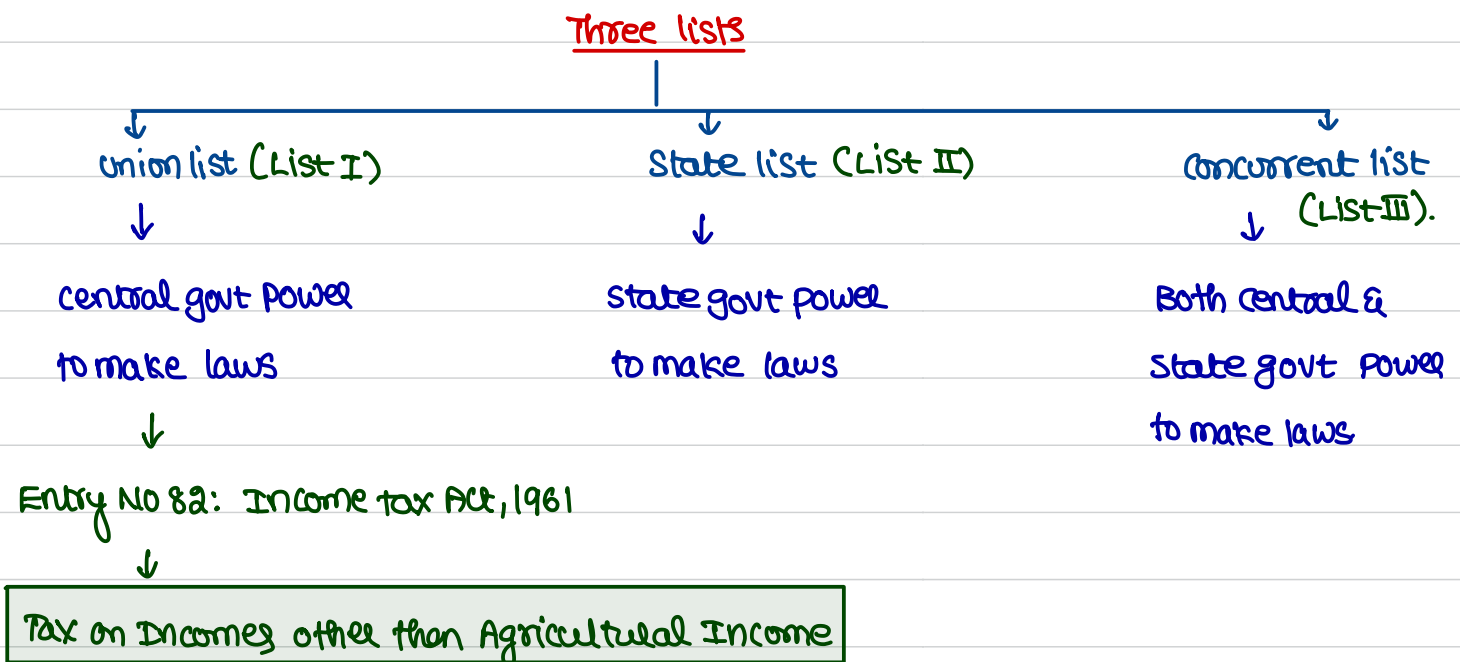
30. TDS & TCS.

# Basic Concepts

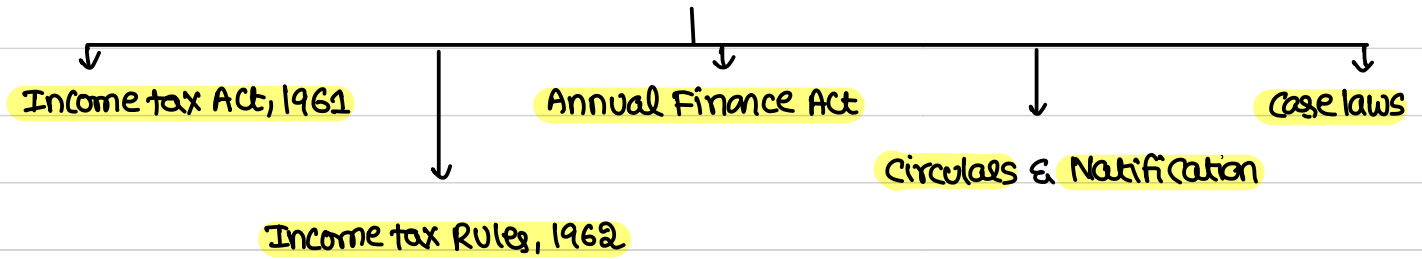
## 1) power to levy taxes:



## seventh schedule to Article No 246 of Constitution of India



## 2) Components / sources of Income tax law



### a) Income tax Act, 1961:

- Extends whole of India
- Came into force on 1/4/1962
- Contains 298 sections & XIV schedules.

### b) Income tax Rules, 1962:

EX: SEC 40A(3)

↓  
 If payment (in cash), exceeding  
₹10,000  
 Entire payment is  
 disallowed UH PuBP

RULE 6DD

↓  
 If payment exceeding ₹10,000  
 in cash, it will be allowed as  
 deduction in few exceptional  
 cases.

- CBDT - power to make Rules
- Rules are step by step guidelines for implementation of Act.

### c) Annual finance Act:

- Finance bill passed by both houses of Parliament & get assent from president of India, it becomes finance Act
- Every year Amendments made into income tax law & other tax laws by finance Act.

→ present finance Act is Finance Act, 2025

June / Dec 26

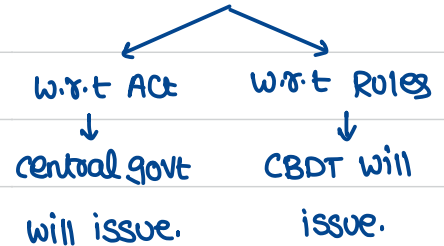
PY 25-26 AY 26-27

d) Circulars & Notifications:

Circulars

- CBDT will issue circulars from time to time.
- Purpose: To clarify doubts regarding scope & meaning of provisions.
- Dept will bound by circulars.
- Assessee can take advantage over beneficial circular.

Notifications

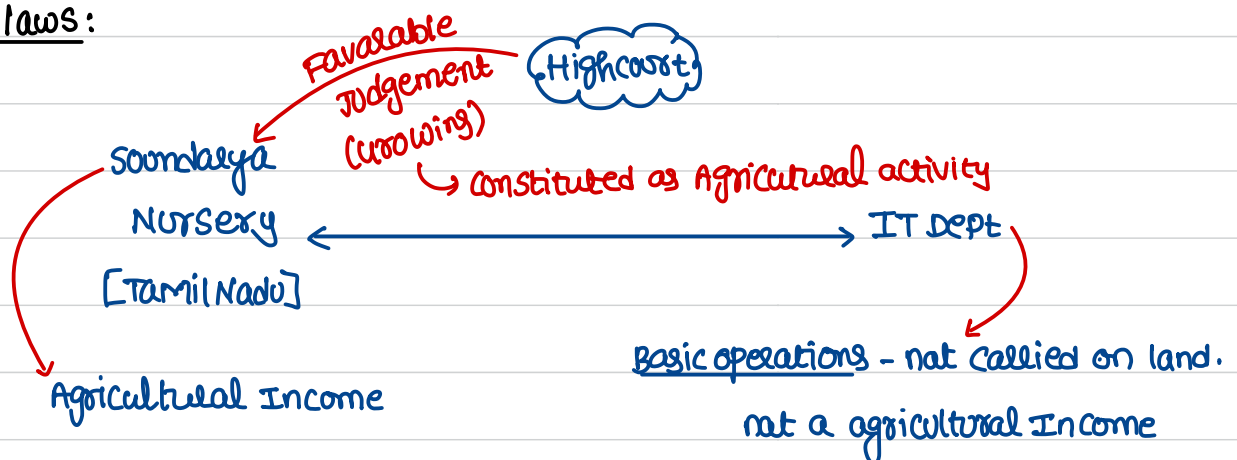


- Purpose: To give effect to provisions
- Notifications are binding on both Assessee & Dept.

Eg: circular NO 13 of 2021, given clarity about applicability of TDS u/s 194Q i.e TDS on purchase of goods.

Eg: Notification No 54/2013, date 15/7/13, guidelines & conditions Approval of skill development Project u/s 35CCD.

e) Case laws:



Judgements given by HC & SC are important in order to study income tax Law.

Sec 1 : Short title, applicability, Extent

Sec 2 : Definition

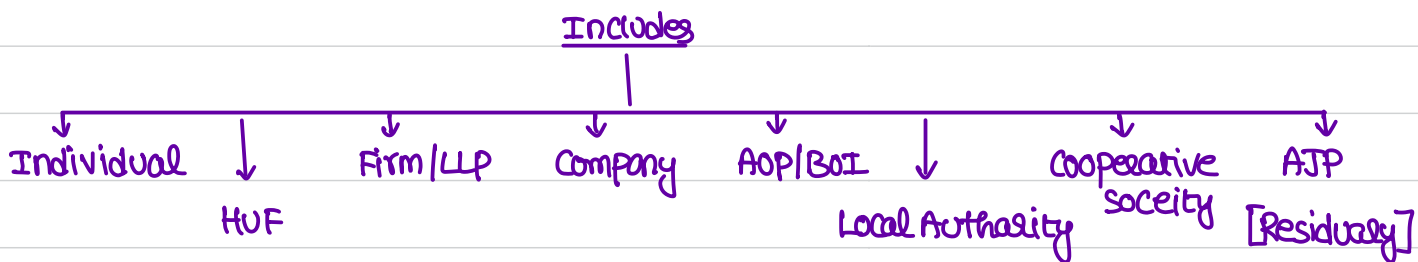
Sec 3 : Previous year

Sec 4 : **charging Section**

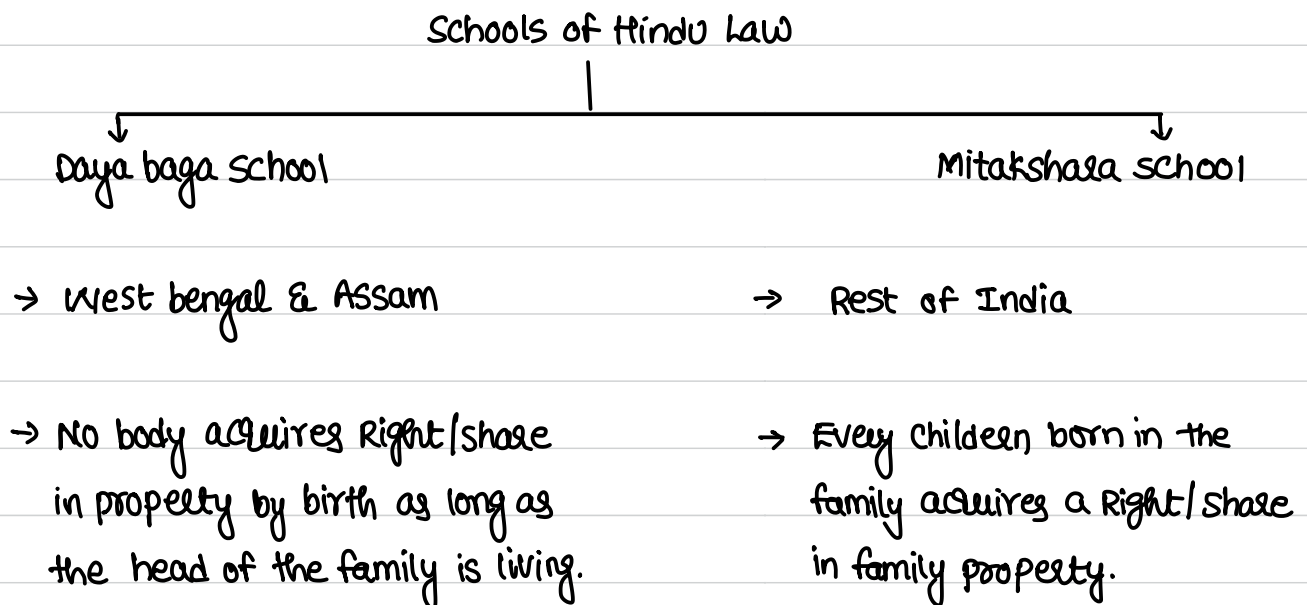
### 3) sec 4: charging section

Every person whose Total Income of Previous year Exceeds Maximum Amount not chargeable to tax is assessee and chargeable to income tax at rates specified in Finance Act for relevant Assessment year.

#### a) person [sec 2(31)]



#### \* HUF:



\*.)

AOP

BoI



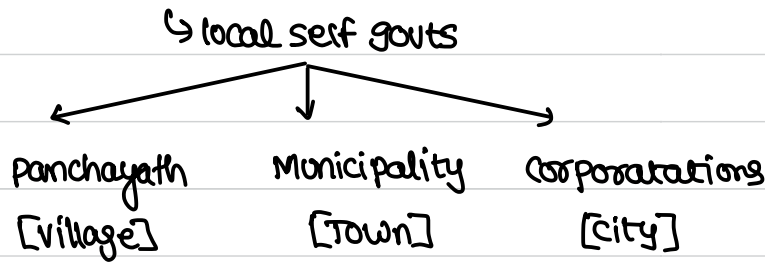
Association of persons

Body of individual

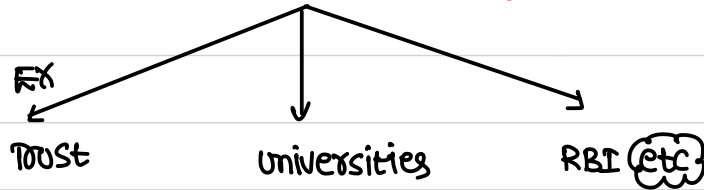
Any person can become member in AOP

only Individuals can become members in BoI.

\*.) Local Authority



\*.) Artificial Judicial Person - Residualy



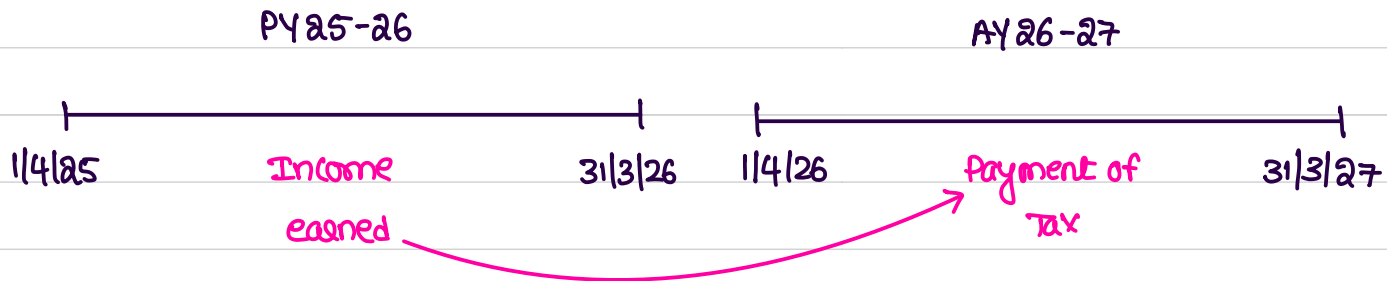
b) Total Income

<u>particulars</u>	<u>Amount</u>
1. Income from salary	xxx
2. IFHP	xxx
3. PUBP	xxx
4. CY	xxx
5. IFOS	xxx
add: clubbing of Income	xxx
Less: Set off of losses	(xxx)
<b>Gross total Income</b>	<b>xxx</b>
Less: Chapter VIIA deductions	xxx
<b>Net Total Income / Total Income /</b>	<b>xxx</b>
<b>Taxable Income / Net Income</b>	

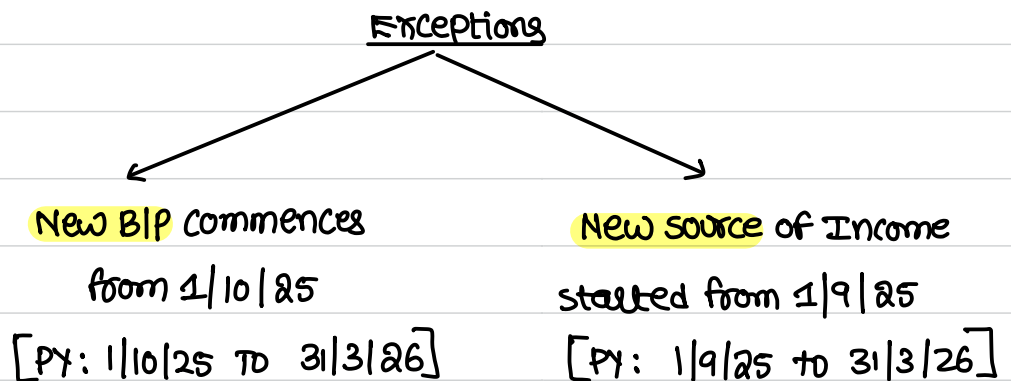
c) General Rule / Golden Rule:

[June/Dec 26]

Income earned during the PY on that tax required pay in the AY.

\*) previous year (sec 3)

- The FY in which you earn the income is called as PY.
- The present PY 25-26 (Always 12 Months)

\*) Assessment year

- The FY in which you pay the tax is called as AY.
- The present AY is 2026-27 (Always 12 Months)

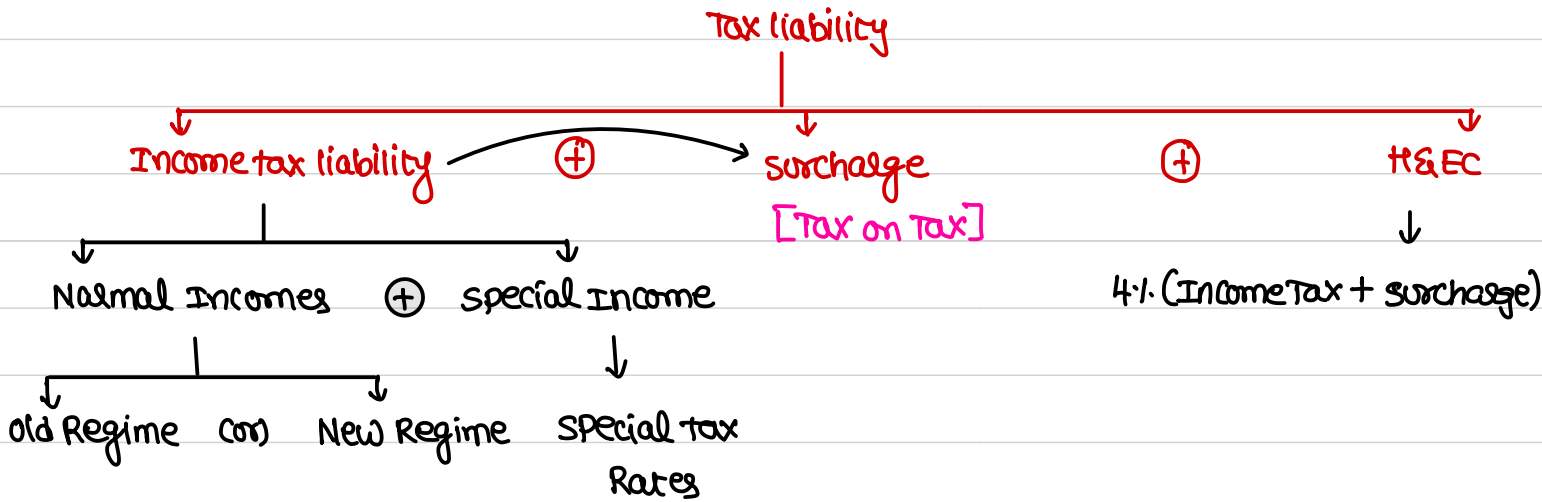
d) Maximum Amount not chargeable to tax [Basic Exemption limit]

<u>Person</u>	<u>Default</u>	<u>Shift</u>	<u>Optional Rates</u>
	<u>Sec 115BAC</u>		
i) Ind [NR / R < 60y]			
HUF	4,00,000		2,50,000
AOP/BOI			
ATP			
ii) R Ind [ $\geq 60y < 80y$ ] [senial citizen]	4,00,000		3,00,000
iii) R Ind [ $\geq 80y$ ] [very senial citizen/ super senial citizen]	4,00,000		5,00,000
iv) Company			
P.Firm/LLP			NIL
local Authority			
cooperative soccity			

e) Assessee:

Any person who required to pay tax under Income tax Act, 1961 is called as assessee.

f) Tax Rates



DT → progressive based → Diff b/w Rich & Poor  
 IDT → regressive based → NO Diff Rich & Poor.

\*) Ind/HUF/AOP/BOI/AJP



Income tax Rates

0-4L	NIL
4L-8L	5%
8L-12L	10%
12L-16L	15%
16L-20L	20%
20L-24L	25%
above 24L	30%

Income tax Rates

a) Ind (NR/R<60y)	0-2.5L	NIL
HUF	2.5L-5L	5%
AOP/BOI	5L-10L	20%
AJP	above 10L	30%

b) RInd ( $\geq 60y < 80y$ )	0-3L	NIL
[serial citizen]	3L-5L	5%
	5L-10L	20%
	above 10L	30%

c) RInd ( $\geq 80y$ )	0-5L	NIL
[super serial citizen]	5L-10L	20%
very serial citizen]	above 10L	30%

Surcharge Rates: Ind/HUF/AOP/BoI/ATP  
(other than AOP consisting only companies as members)

<u>Total Income</u>	<u>surcharge</u>
$\leq 50L$	-
$> 50L \leq 1cr$	10% of income tax
$> 1cr \leq 2cr$	15% of income tax
$> 2cr$	25% of income tax

Surcharge Rates: Ind/HUF/AOP/BoI/ATP  
(other than AOP consisting only companies as members)

<u>Total Income</u>	<u>surcharge</u>
$\leq 50L$	-
$> 50L \leq 1cr$	10% of income tax
$> 1cr \leq 2cr$	15% of income tax
$> 2cr \leq 5cr$	25% of income tax
$> 5cr$	37% of income tax

Note: surcharge Rates for AOP consisting only companies as members

<u>Total Income</u>	<u>surcharge</u>
$\leq 50L$	NIL
$> 50L \leq 1cr$	10% of income tax
$> 1cr$	15% of Income tax

\* P-Firm including LLP / Local Authority

BEL → Slab Rates

NO BEL → Flat Rates

Income Tax Rate : @30%

Surcharge Rates :

	Total Income $>1\text{cr} \leq 10\text{cr}$	Total Income $>10\text{cr}$
P-Firm / LLP	12%	12%
Local Authority		

\* Domestic company



Income tax Rates

PY 25-26 AY 26-27

1. Sec 115BA

→ T10 / CIR in PY 2023-24  
does not exceed ₹ 400cr } 25%

$25\% + 7\% / 12\% + 4\%$   
depending on  
Total Income

→ other domestic co } 30%

2. Sec 115BAA

Other Domestic CO  
 $22\% + 10\% + 4\% = 25.68\%$

Surcharge Rates

	Total Income $>1\text{cr} \leq 10\text{cr}$	Total Income $>10\text{cr}$
domestic co	7%	12%

3. Sec 115BAB

Domestic Manufacturing CO  
C1: Setup & Reg on/after 11/10/19 &  
C2: Commencement of business  
on/ before 21/3/24

$15\% + 10\% + 4\% = 17.16\%$

G) foreign company

Royalty & FTS Received by FC  
From Indian govt / Indian concern

Other case  
↓  
@ 35%

✓ Agreement - Royalty : 1/4/1961 to 31/3/1976

✓ Agreement - FTS : 1/3/1964 to 31/3/1976

Tax @ 50%

Surcharge

Total Income

Total Income

$> 1cr \leq 10cr$

$> 10cr$

FC company

2%

5%

\* Cooperative Society

Normal tax Rates

Optional tax Rates

Income Tax Rates

upto 10,000      10%

10,001 to 20,000      20%

above 20,001      30%

1) sec 115BAD

Other Resident co. societies

$$22\% + 10\% + 4\% = 25.68\%$$

2) sec 115BAF

Resident manufacturing co. society

c1: setup & Reg on/after 1/4/23

c2: commencement of business

on/before 31/3/24

$$15\% + 10\% + 4\% = 17.6\%$$

Surcharge

Total Income

Total Income

$> 1cr \leq 10cr$

$> 10cr$

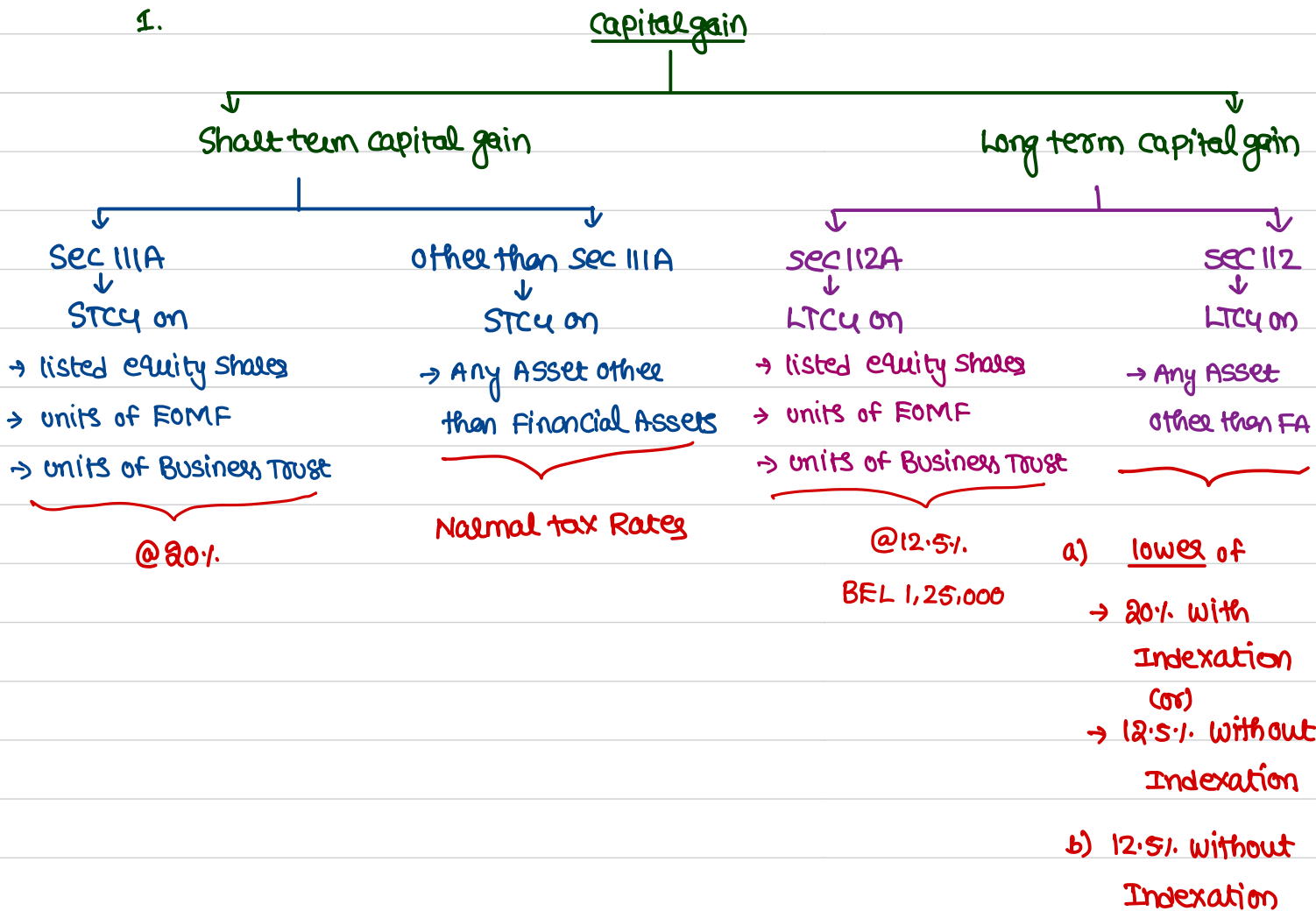
Cooperative  
Society

7%

12%

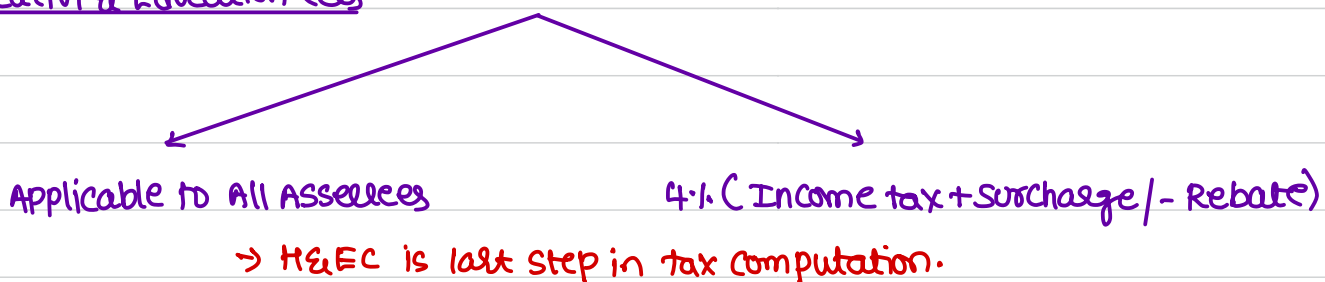
\* Special tax Rates:

These Tax Rates are applicable for All Assessee.



- 2. Casual Incomes u/s 115BB - Taxable @ 30%
- 3. Net winnings from online games u/s 115BBT - Taxable @ 30%
- 4. Undisclosed Income u/s 115BBE - Taxable @ 78%  
[Tax @ 60% + SC @ 25% + 4%]

\* Health & Education cess



4) Rebate u/s 87A:

Resident Individual

↓  
u/s 115BAC(1A)/  
default tax Regime/  
New Regime  
↓

↓  
Under Normal tax Rates /  
under old regime/  
under optional tax Rates  
↓

\*) If total Income  $\leq$  12,00,000

Rebate

→ Income tax payable (or) } ↓  
→ ₹ 60,000

\*) If total Income  $\leq$  5,00,000

Rebate

→ Income tax payable (or) } ↓  
→ ₹ 12,500

\*) If total Income  $>$  12,00,000

Rebate

$S_1$ : Total Income - 12,00,000

$S_2$ : Compute Income tax liability on Total Income.

$S_3$ : If  $S_2 > S_1$ , Rebate =  $S_2 - S_1$

Example

Total Income = 12,15,000

$S_1$ : 12,15,000 - 12,00,000 = 15,000

$S_2$ : Tax on 12,15,000

0-4L	-	}	62,250
4L-8L	20k		
8L-12L	40k		
15k	2,250		

Tax liability

Tax liability	62,250
(-) Rebate u/s 87A	(47,250)
	15,000
(+) H&EC @ 4%	600
	15,600

$S_3$ : Rebate ( $S_2 - S_1$ )

47,250

5) Rounding off (sec 288A & 288B)

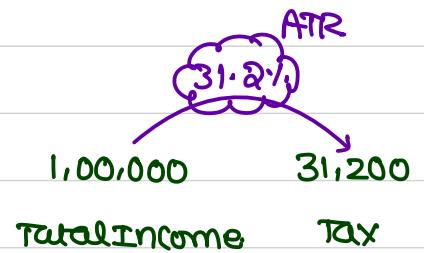
Total Income ↓ Sec 288A		Tax liability ↓ Sec 288B
2,88,836.25	→	2,88,840
2,88,833.75	→	2,88,830
2,88,835.15	→	2,88,840

500 more in last digits should be rounded off to next multiple of ₹10.

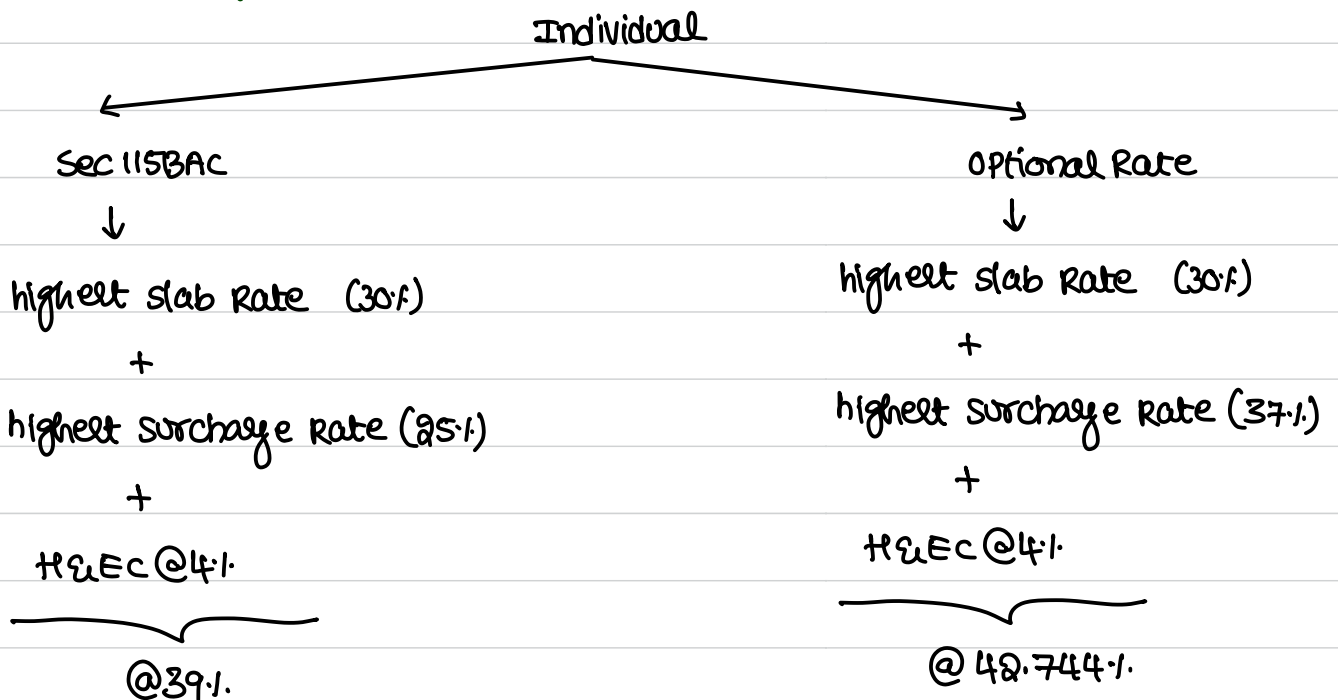
6) Maximum Marginal tax rate vs Average Tax Rate

Average Tax Rate:

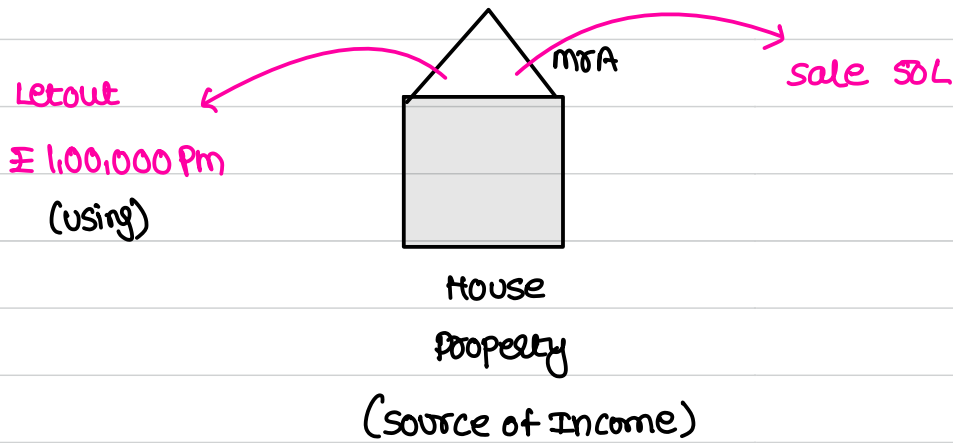
$$ATR = \frac{\text{Tax payable}}{\text{Total Income}} \times 100$$



Maximum marginal tax rate:



## 7) Revenue Receipts vs Capital Receipts



### Revenue Receipt

meaning

Income earned by  
using the source of  
Income

Taxability

always Taxable unless  
otherwise exempted.

### Capital Receipt

Meaning

Income earned by  
Sale of source of  
Income

Taxability

always exempted  
unless otherwise  
Taxable.

8) Marginal Relief:

Case 1

MR&A, 42 years of Age  
 Total Income ₹ 50,00,000  
 old tax Regime  
 Tax liability ?

0-2.5L	NIL
2.5L - 5L (5%)	12,500
5L - 10L (20%)	1,00,000
above 10L (30%)	<u>12,00,000</u>
	13,12,500
(+) Surcharge	<u>-</u>
	13,12,500
(+) H&E@4%	<u>52,500</u>
	<u>13,65,000</u>

additional  
 Income  
 ₹ 1,00,000

Case 2

MR&A, 42 years of Age  
 Total Income ₹ 51,00,000  
 old tax Regime  
 Tax liability ?

0-2.5L	NIL
2.5L - 5L (5%)	12,500
5L - 10L (20%)	1,00,000
above 10L (30%)	<u>12,30,000</u>
	13,42,500
(+) Surcharge	<u>1,34,250</u>
	(10% (13,42,500)) 14,76,750
(+) H&E@4%	<u>59,070</u>
	(4% (14,76,750)) <u>15,35,820</u>

additional tax  
 1,70,820

Example 1: Mr A, Age 48 years having total Income 51,00,000 for PY 25-26.

Compute tax liability of Mr A for AY 26-27?  
[Assume Mr A exercised the option given u/s 115BAC(6)]

↳ Normal tax rates

Solution      Computation of tax liability of Mr A AY 26-27

<u>Particulars</u>	<u>Amount</u>
S <sub>1</sub> : Tax on total Income including surcharge [Tax on 51,00,000]	14,76,750 <i>Dept - Expectation</i>
S <sub>2</sub> : Tax on Basic limits including surcharge ⊕ Extra Amount over basic limits [Tax on 50,00,000 + 1,00,000] [ 13,12,500 + 1,00,000]	14,12,500 <i>Assessee - Capability</i>
S <sub>3</sub> : Marginal Relief (S <sub>1</sub> > S <sub>2</sub> ) (S <sub>1</sub> - S <sub>2</sub> )	64,250
S <sub>4</sub> :	
Tax liability	14,76,750
↳ Marginal Relief	<u>(64,250)</u>
	14,12,500
⊕ H&EC @ 4%	<u>56,500</u>
	<u>14,69,000</u>

Example 2: Mr B, Age 34 years, having total Income ₹ 2,20,00,000 for FY 25-26.

Compute tax liability for AY 26-27?

[Assume Mr B exercised the option given UIS 115BAC(6)]

↳ Normal tax Rates.

Solution:

Alternative 1

Computation of tax liability of Mr B for AY 26-27

<u>particulars</u>	<u>Amount</u>
S <sub>1</sub> : Tax on total Income including SC	80,15,625
Tax on 2,20,00,000	
0 - 2.5L	-
2.5L - 5.0L (5%)	12,500
5.0L - 10L (20%)	1,00,000
above 10L (30%)	<u>63,00,000</u>
	64,12,500
G) Surcharge @ 25%	<u>16,03,125</u>
	80,15,625
S <sub>2</sub> : Tax on Basic limits including SC	86,84,375
+	
Extra Income over Basic limits	
[Tax on 200,00,000 + 20,00,000]	

0-2.5L	NIL
2.5L-5L (5%)	12,500
5L-10L (20%)	1,00,000
Above 10L (30%)	<u>57,00,000</u>
	58,12,500
(+) Surcharge @ 15%	<u>8,71,875</u>
	66,84,375

S<sub>3</sub>: Marginal Relief (S<sub>1</sub> > S<sub>2</sub>)

0

S <sub>1</sub> :	Tax liability	80,15,625
	(-) MRelief	<u>0</u>
		80,15,625
	(+) H&EC @ 4%	<u>3,20,625</u>
		<u>83,36,250</u>

### Alternative - 2

Computation of tax liability of MRSB for AY 26-27

<u>Particulars</u>	<u>Computation</u>	<u>Amount</u>
0-2.5L	-	-
2.5L-5L	2,50,000 × 5%	12,500
5L-10L	5,00,000 × 20%	1,00,000
Above 10L	2,10,00,000 × 30%	<u>63,00,000</u>
		64,12,500
	(+) Surcharge @ 25%	<u>16,03,125</u>
		80,15,625
	(+) H&EC @ 4%	<u>3,20,625</u>
		<u>83,36,250</u>

Example 3 Compute tax liability of X Ltd, domestic company having total Income of ₹1,01,00,000.

Assume that the Assessee not opted provisions of Sec 115BAA/BAB.

Note: The gross receipts of X Ltd for PY 23-24 is ₹402 cr.

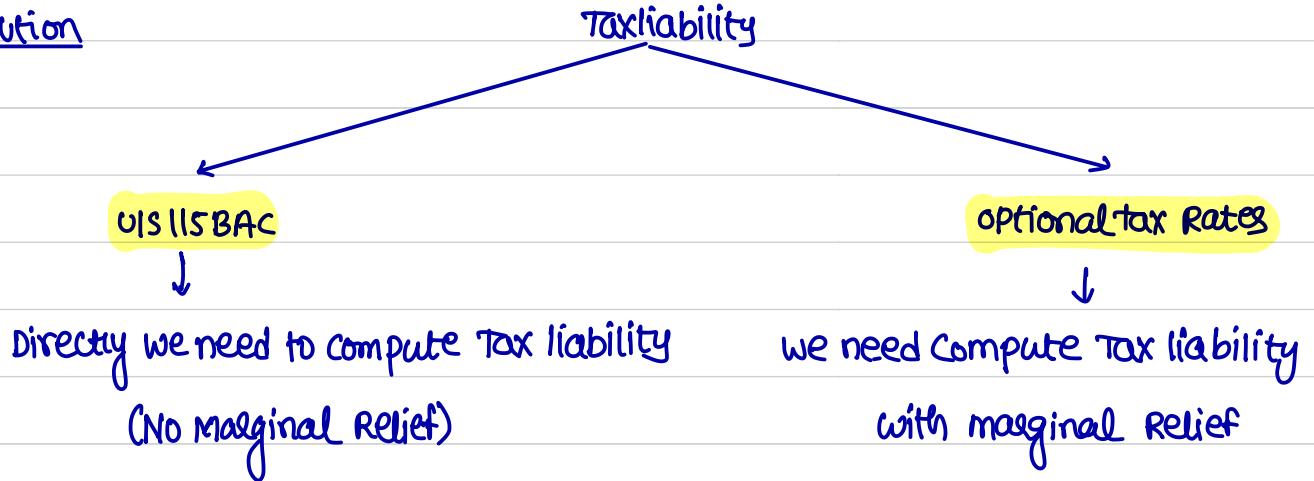
Solution:

Computation of tax liability of X Ltd for AY 26-27

<u>Particulars</u>	<u>Amount</u>
S <sub>1</sub> : Tax on total Income including SC [Tax on 1,01,00,000]	32,42,100
[1,01,00,000 × 30%] + 7%	
S <sub>2</sub> : Tax on Basic limits including SC	31,00,000
+	
Excess Income over Basic limits [Tax on 1,00,00,000] + 1,00,000	
[1,00,00,000 × 30%] + 1,00,000	
S <sub>3</sub> : Marginal Relief (S <sub>1</sub> > S <sub>2</sub> ) [S <sub>1</sub> - S <sub>2</sub> ]	1,42,100
S <sub>4</sub> :	
Tax liability	32,42,100
(-) Marginal Relief	<u>(1,42,100)</u>
	31,00,000
(+ ) H&EC @ 4%	<u>1,24,000</u>
	<u>32,24,000</u>

Example 4 compute tax liability of mrc (Aged 65 years) in most beneficial manner. he having total income of ₹ 5,01,00,000 for AY 26-27

Solution



Reason: ₹ 5,00,00,000 is not a basic limit for surcharge U/S 115BAC.

computation of tax liability of mrc for AY 26-27 U/S 115BAC

<u>particulars</u>	<u>computation</u>	<u>Amount</u>
0 - 4L	-	-
4L - 8L	4,00,000 X 5%	20,000
8L - 12L	4,00,000 X 10%	40,000
12L - 16L	4,00,000 X 15%	60,000
16L - 20L	4,00,000 X 20%	80,000
20L - 24L	4,00,000 X 25%	1,00,000
above 24L	4,77,00,000 X 30%	1,43,10,000
		<u>1,46,10,000</u>
(f) Surcharge @ 25%		<u>36,52,500</u>
25% (1,46,10,000)		1,82,62,500
(g) H&EC @ 4%		<u>7,30,500</u>
		<u>1,89,93,000</u>

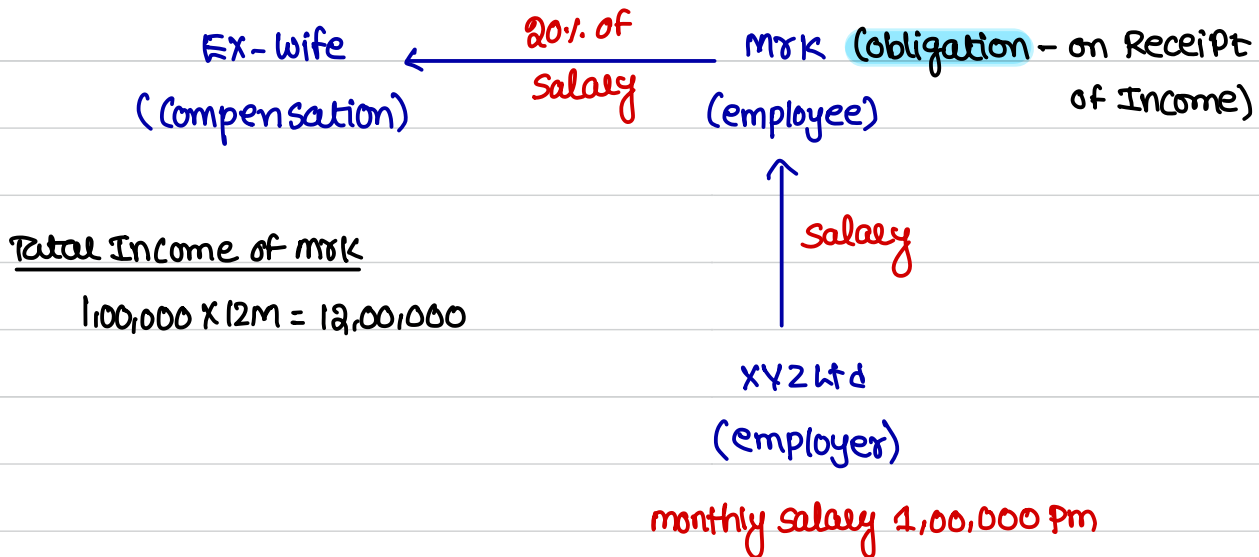
Computation of tax liability of MTC for AY 26-27 under  
old/optional tax Rates

<u>Particulars</u>	<u>Amount</u>
S <sub>1</sub> : Tax liability on total Income including surcharge [Tax on 5,01,00,000] + surcharge @ 37.1.	2,03,30,800
S <sub>2</sub> : Tax on basic limits including SC + Extra amount over basic limits [Tax on 5,00,00,000] + surcharge @ 25.1 + IL	1,86,12,500
S <sub>3</sub> : marginal relief (S <sub>1</sub> > S <sub>2</sub> ) (S <sub>1</sub> - S <sub>2</sub> )	17,18,300
S <sub>4</sub> :	
Tax liability	2,03,30,800
(-) M. Relief	(17,18,300)
	1,86,12,500
(+ ) H&EC @ 4.1.	7,44,500
	1,93,57,000

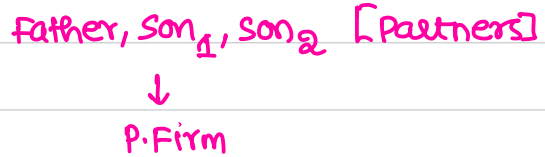
Conclusion under default tax regime vis IISBAC tax liability is ₹ 1,89,93,000. Where as in optional tax regime tax liability is ₹ 1,93,57,000. therefore tax liability under default tax regime is lower compared to optional tax regime. Assessee can go with sec IISBAC.

9) Application of Income vs diversion of Income

Application of Income

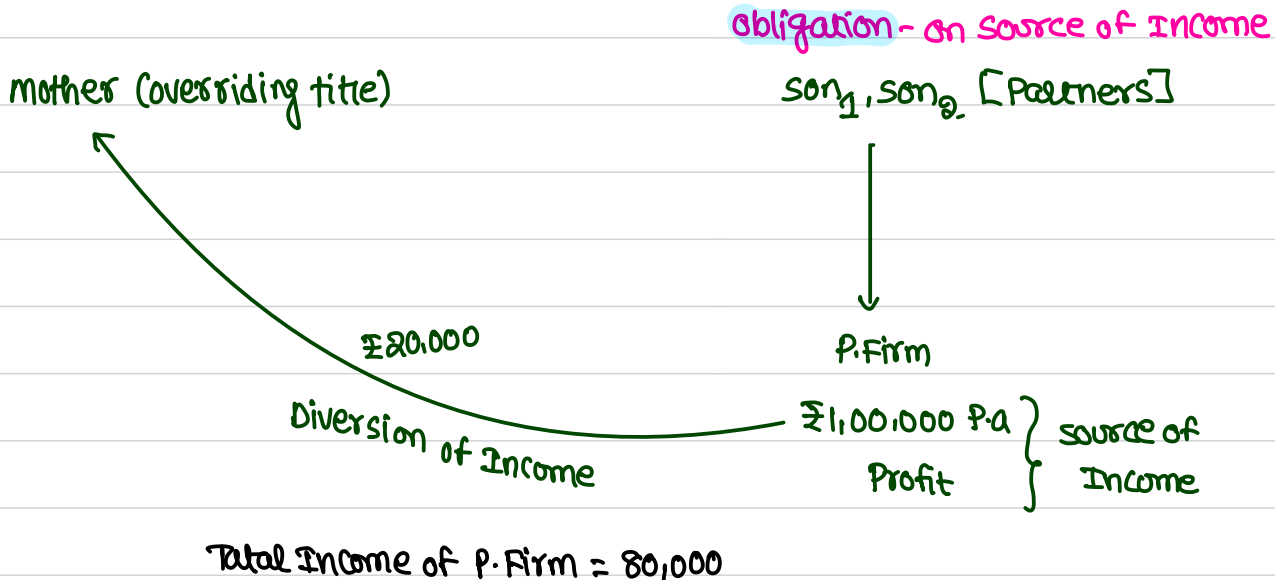


Diversion of Income



Condition: After death of Father

If sons want to continue the P.Firm, then P.Firm have to pay Every year 20% of profits to Mother.



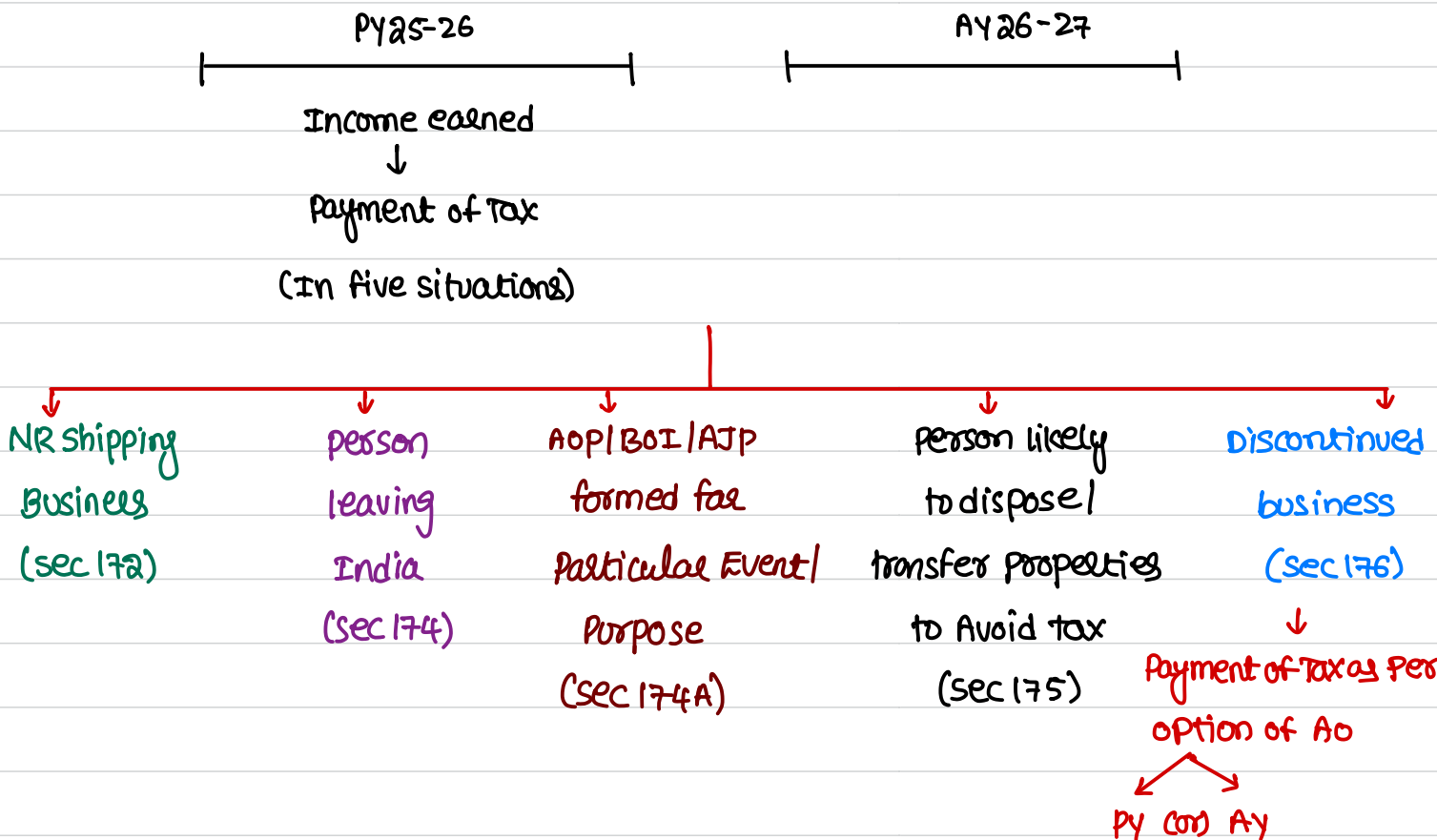
Application of Income

Diversion of Income

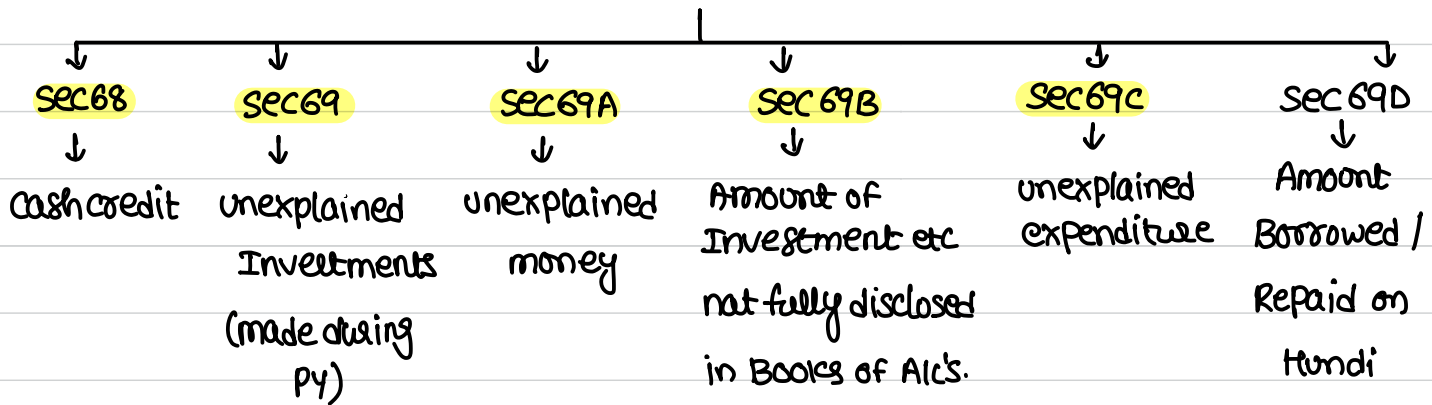
1. No overriding title
2. obligation - on Receipt of Income
3. The discharge of obligation taken place after the income reaches to the Assessee.
4. Income is included in the hands of Assessee.

1. Diversion refers to when there is a overriding title at source of Income.
2. obligation - on Source of Income
3. The discharge of obligation taken place at source of Income before it reaches to Assessee.
4. Income is not included in the income of Assessee.

10) Exception to General Rule / Golden Rule (Sec 172-176)

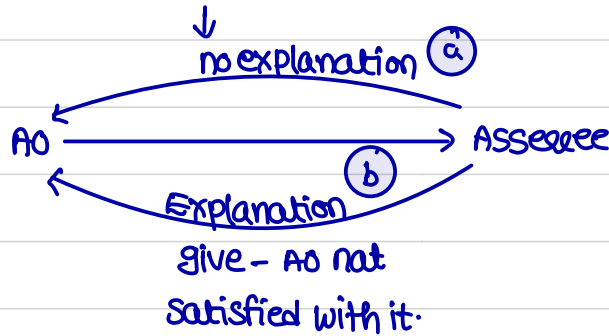


# 11) Undisclosed sources of Income (sec 68 - 69D)



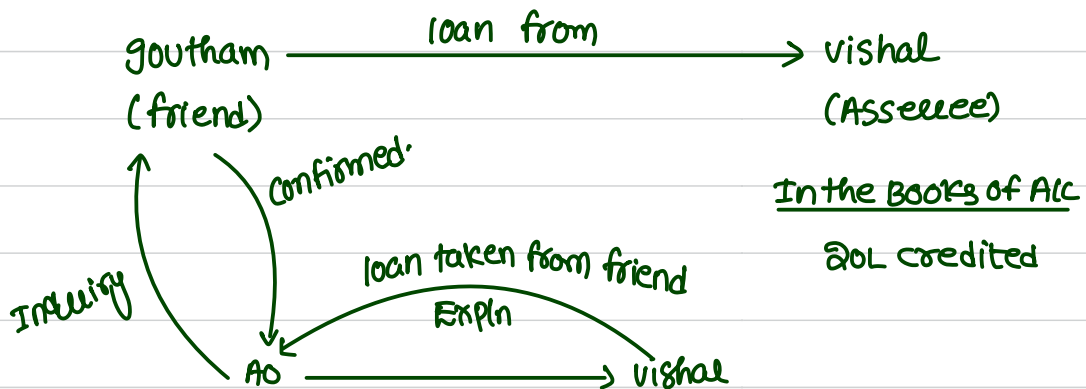
## 1) sec 68: cash credit

Any sum credited to the Books of A/c of Assessee



then, sum so credited → treated as undisclosed Amount

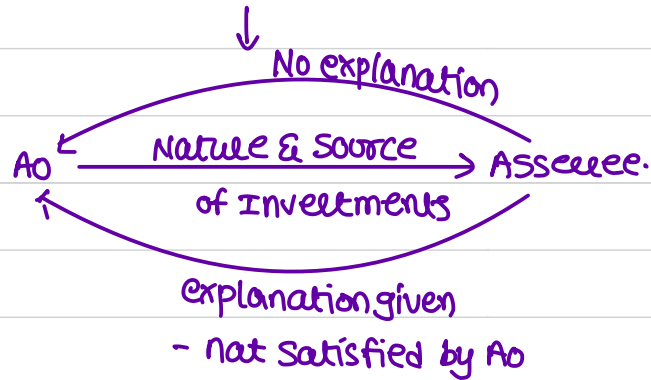
### Note:



Additionally, Assessee required to prove creditworthiness of lender if not, sum so credited treated as undisclosed Amount.

2) sec 69: unexplained Investments

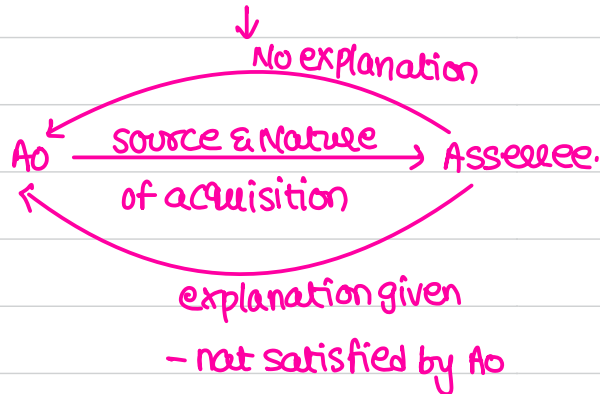
In py → Assessee made Investments → Not Recorded



then, Value of Investment → treated as undisclosed Amount.

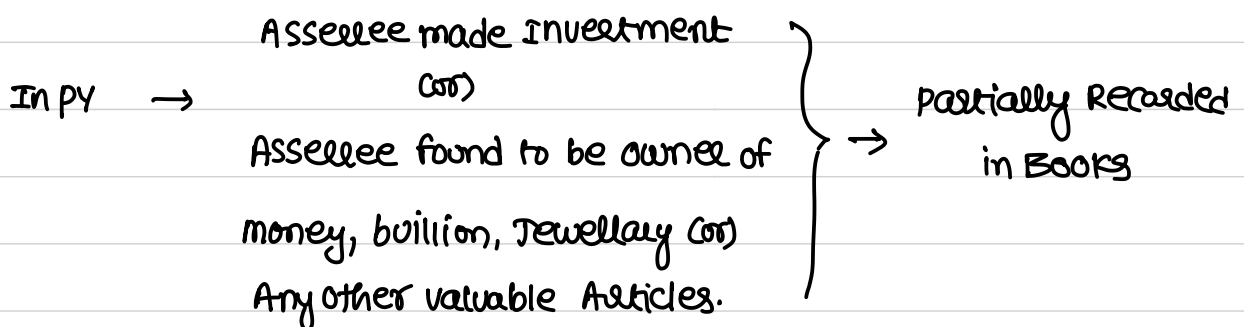
3) Sec 69A: unexplained money

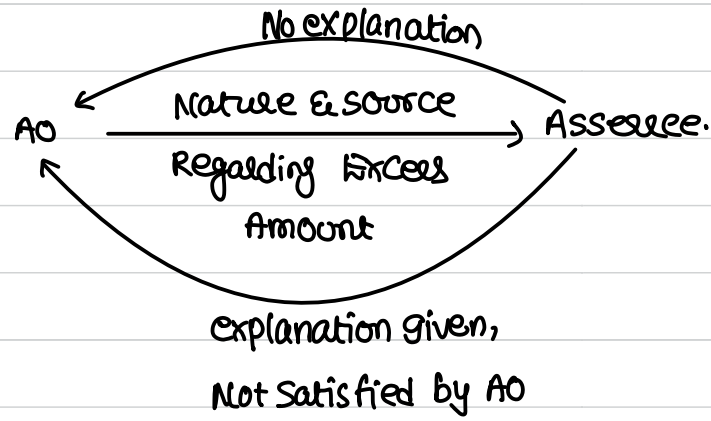
In py → Assessee found to be owner of money, bullion, Jewellery (or) valuable Articles.



Then, money + value of assets → treated as undisclosed Amount

4) Sec 69B: Amount of Investment etc, not fully disclosed in Books

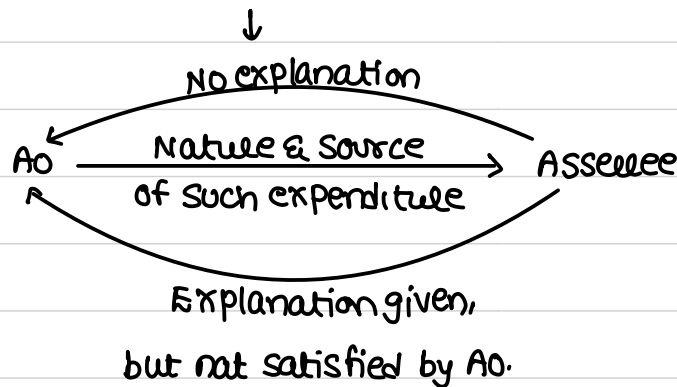




then, Excess Amount (portion of undisclosed) → treated as undisclosed Amount

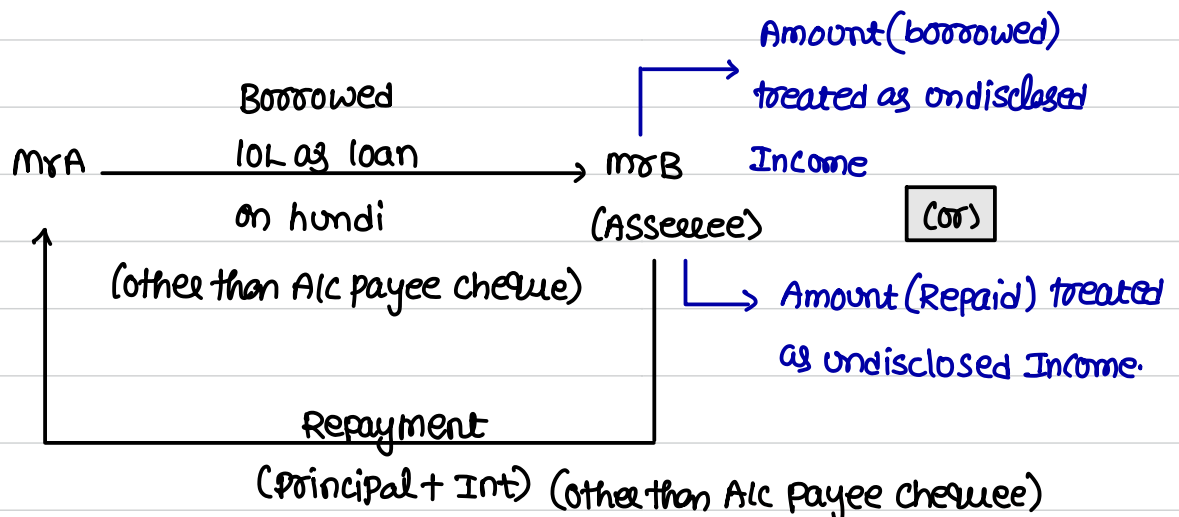
5) Sec 69C: unexplained expenditure

During PY → Assessee incurred any expenditure



Then, Expenditure (or) part → treated as undisclosed Income.

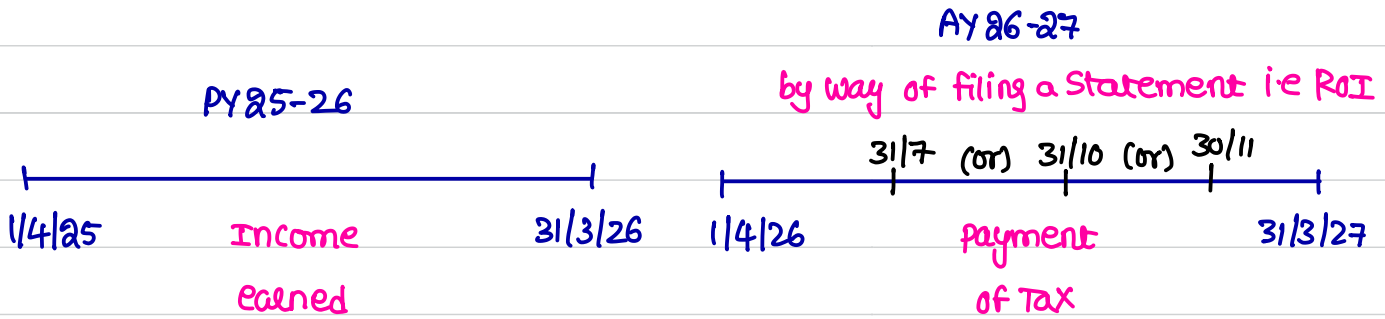
6) Sec 69D: Amount borrowed / Repaid on the basis of Hundi





# Return of Income

## a) General Rule / Golden Rule:



Income from salaries	xxx
IFHP	xxx
PGBP	xxx
CY	xxx
IFOS	xxx
(+) clubbing provisions	xxx
(-) setoff provisions	<u>(xxx)</u>
gross Total Income	xxx
(-) Chapter VIIA deductions	<u>(xxx)</u>
Total Income	xxx

### Tax liability

Income Tax

Surcharge

H&EC

xxxx

### Credit

TDS / TCS

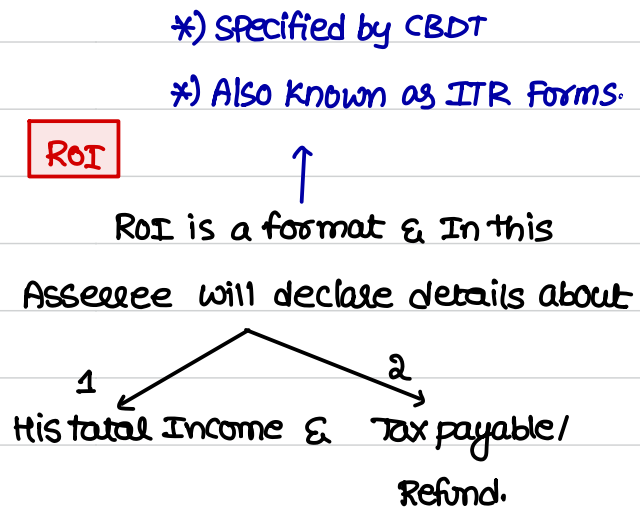
(xxx)

advance Tax

(xxx)

Tax payable / Refundable

xxxx



### Case 1

5,00,000

### Case 2

5,00,000

(1,00,000)

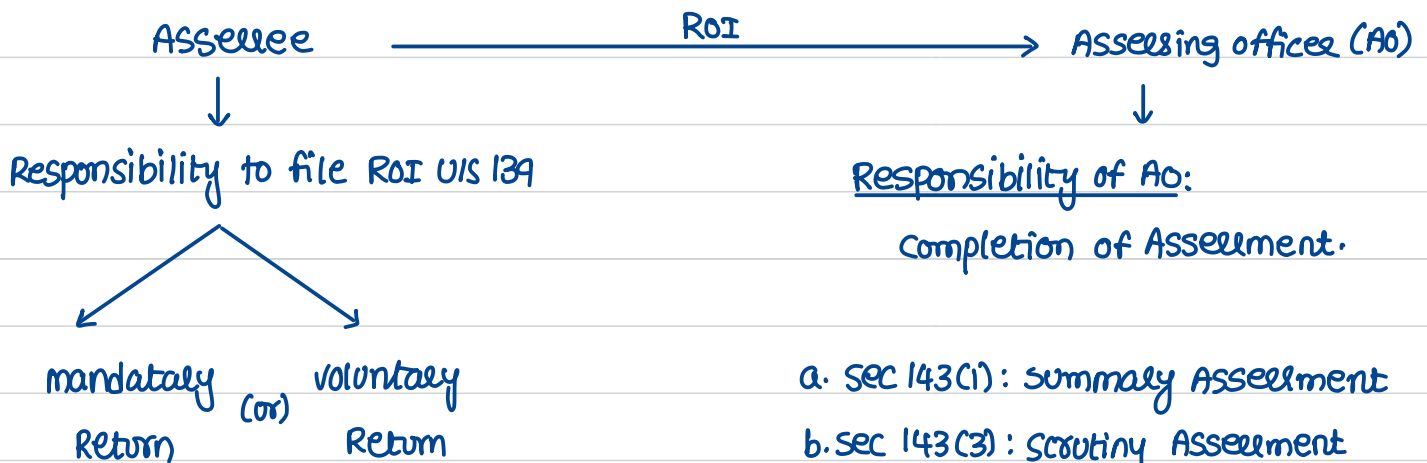
(4,00,000)

(50,000)

(1,50,000)

3,50,000

(50,000)

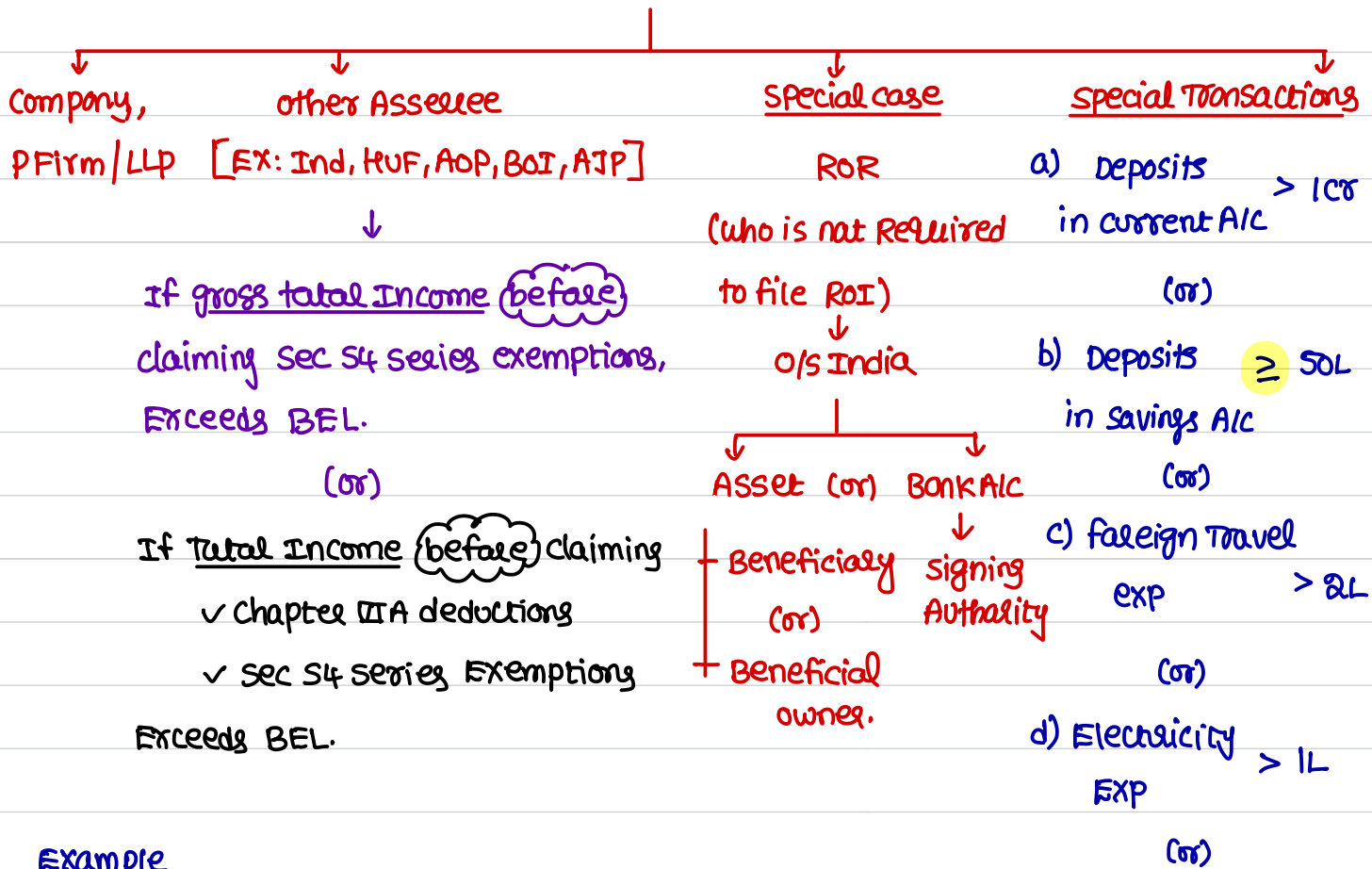


- a. Sec 143(1): summary Assesment
- b. Sec 143(3): scrutiny Assesment
- c. Sec 144: Best Judgement Assesment
- d. Sec 147: Income escapement

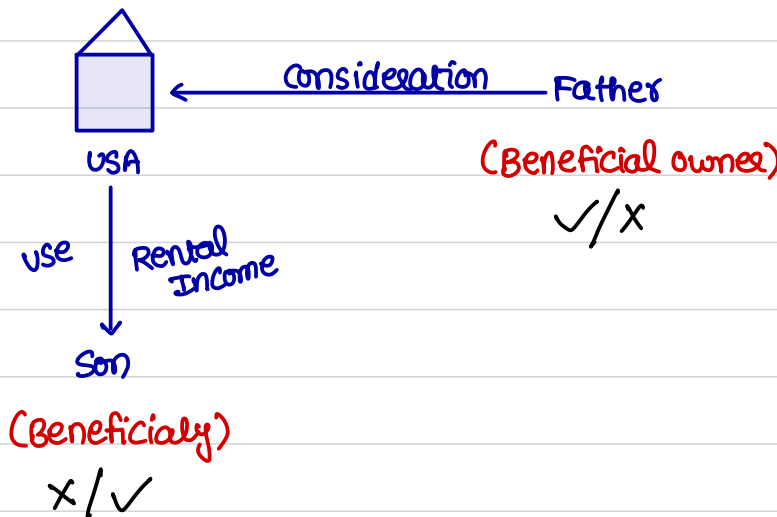
Assesment Procedures.

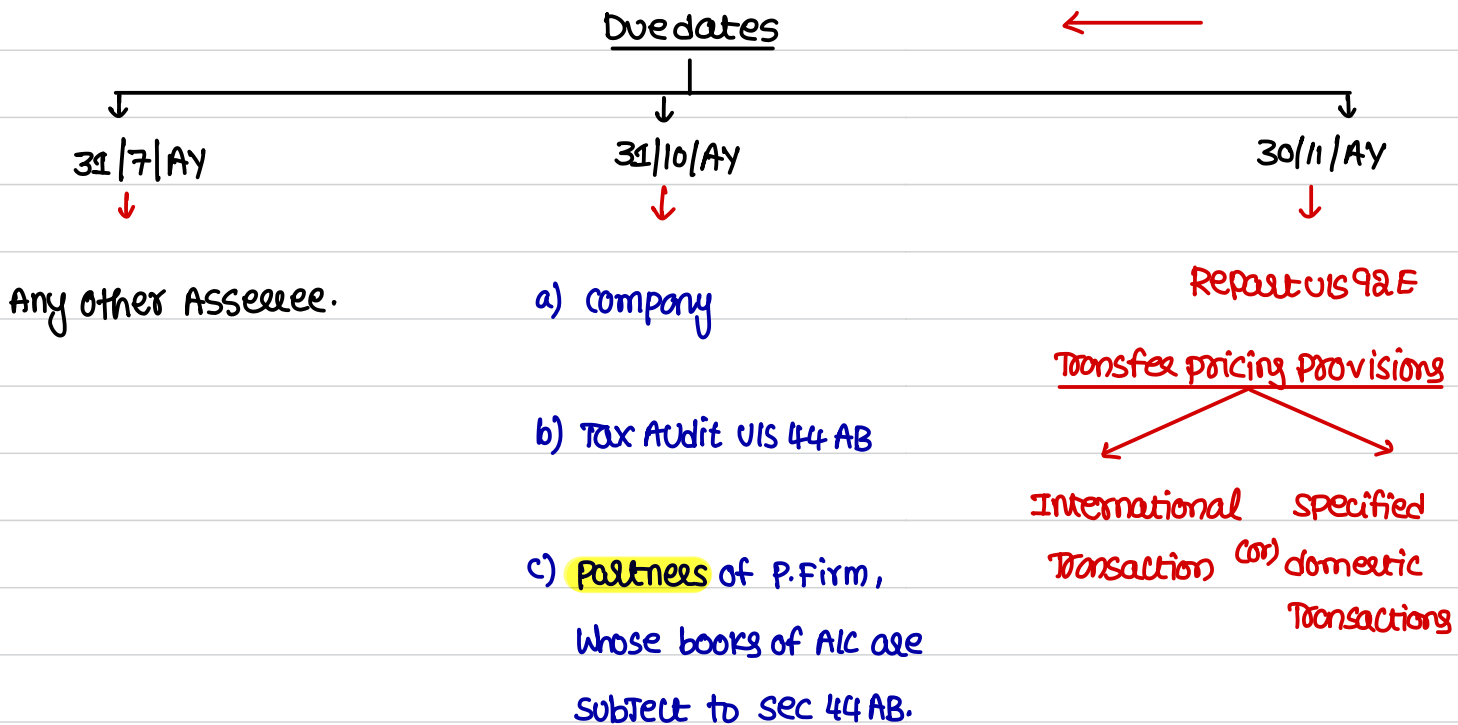
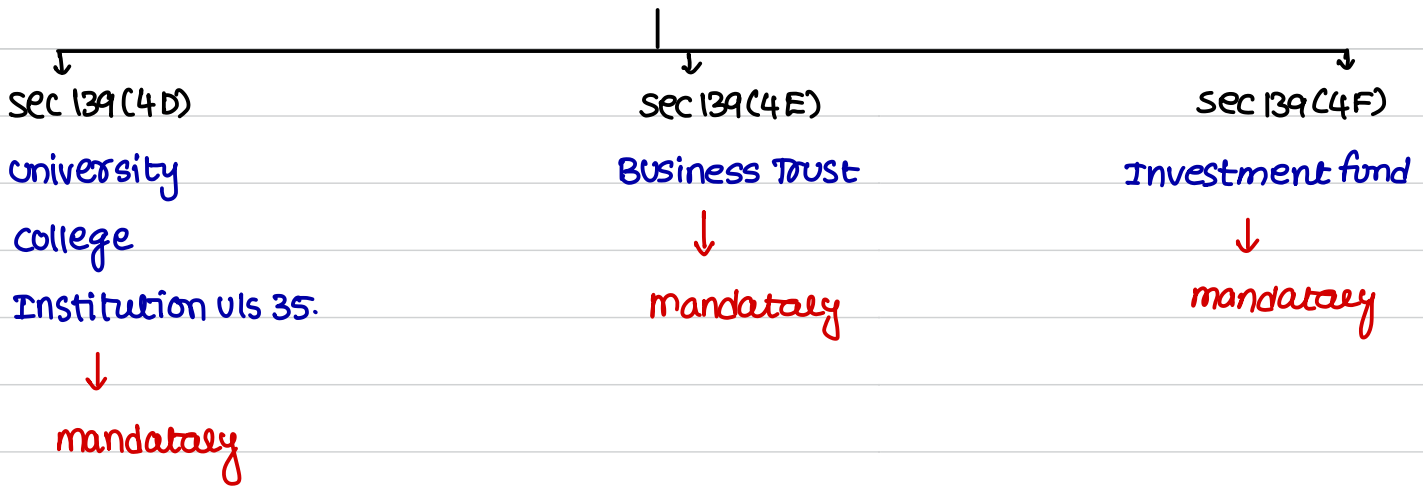
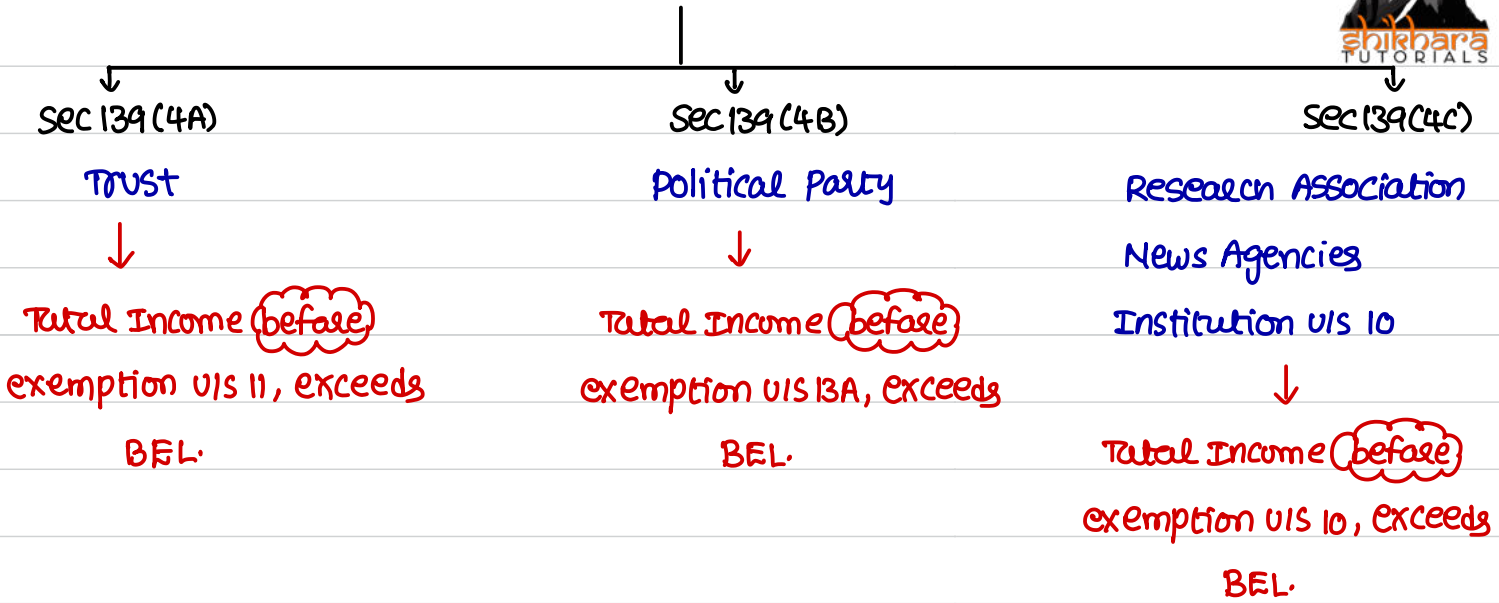
b)

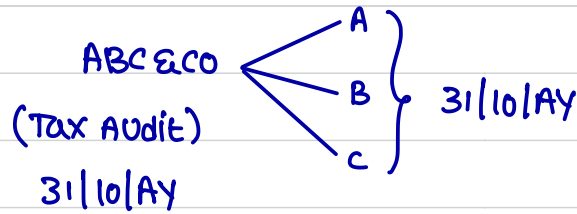
Sec 139(c)



Example







c) Sec 139(1c): Relaxation from filing of ROI



Conditions

1. Resident + 75 y / male &
2. Income { pension (+) Interest } credited to same bank A/c (specified bank) &
3. Assessee declaration → specified bank &
4. specified bank Net Amount → Assessee.  
TDS U/S 194P → CG



2. Sec 139(4): Belated Return

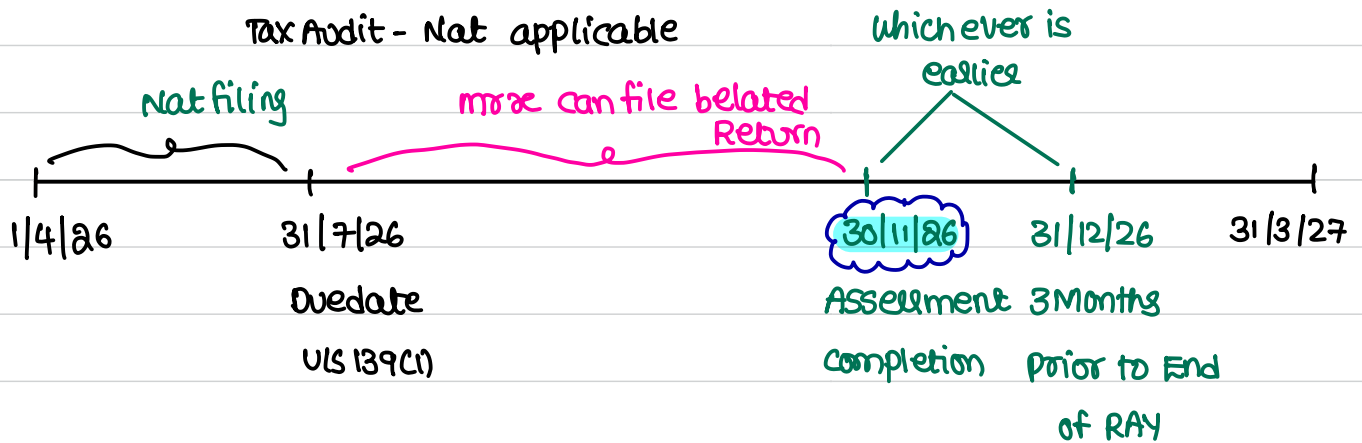
Belated Return can be filed within time limits vis 139(4)

- a) 3 months prior to End of AY } which ever is earlier.
- Cor)
- b) Assessment completion

Example 1

Mr X

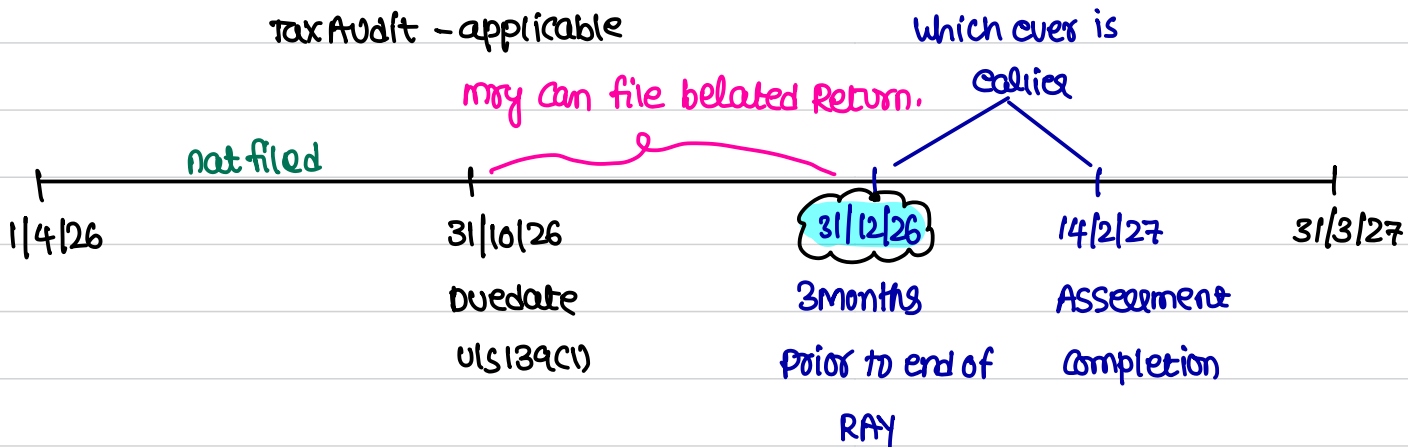
Tax Audit - Not applicable



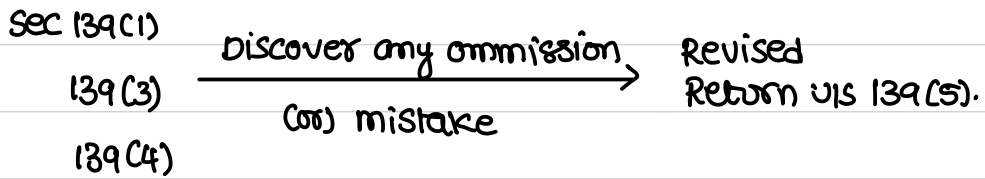
Example 2

Mr Y

Tax Audit - applicable



3. Sec 139(5): Revised Return

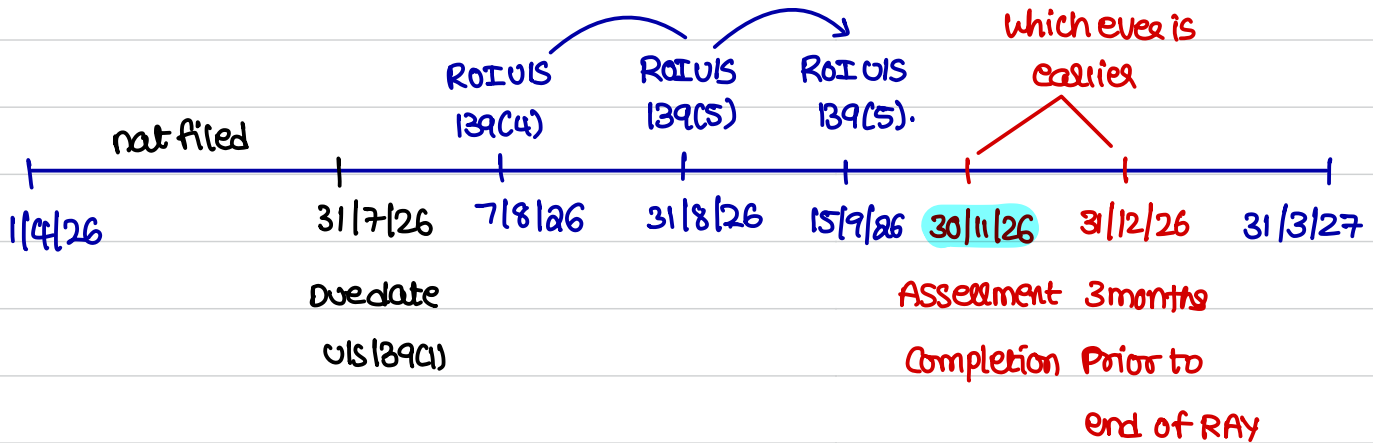


Time limit: Same time limits as u/s 139(4).

Example

msx

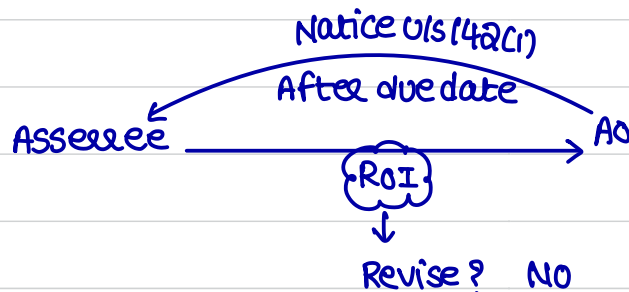
Tax Audit - not applicable



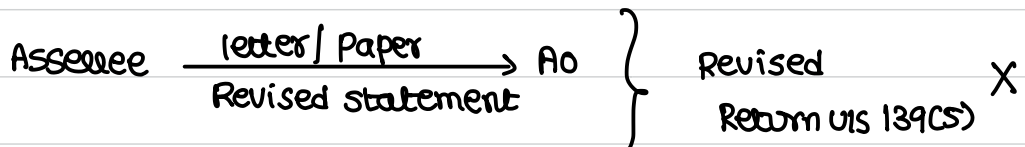
Note:

1. It substitutes the original Return

2.



3.



4. ROI can be Revised vis 139(S), even after Receiving Intimation vis 143(C1) / Refund.

<u>ROI vis 139(C1)</u>	<u>ROI vis 139(S)</u>
Refund ₹ 50,000	Refund ₹ 90,000

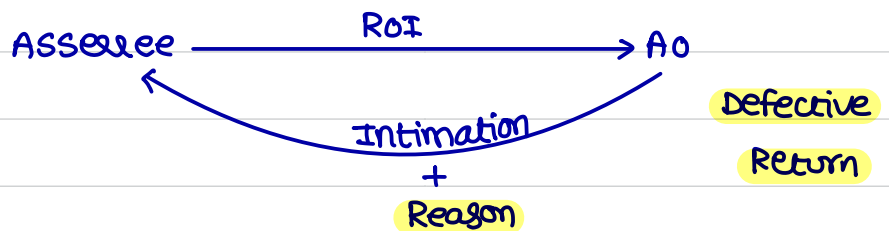
by processing vis 143(C1)  
Received  
Refund ₹ 50,000

5. Fresh claim before AO can be made only by way of filing Revised Return vis 139(S).

4. Sec 139(9): Defective Return

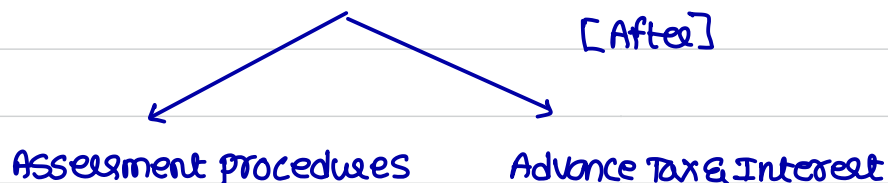
Annexure less ROI (Present Filing)

- ✓ Statements
- ✓ Books of A/c's
- ✓ Proof
- ✓ **Tax Audit Report**
- ✓ Annexures etc

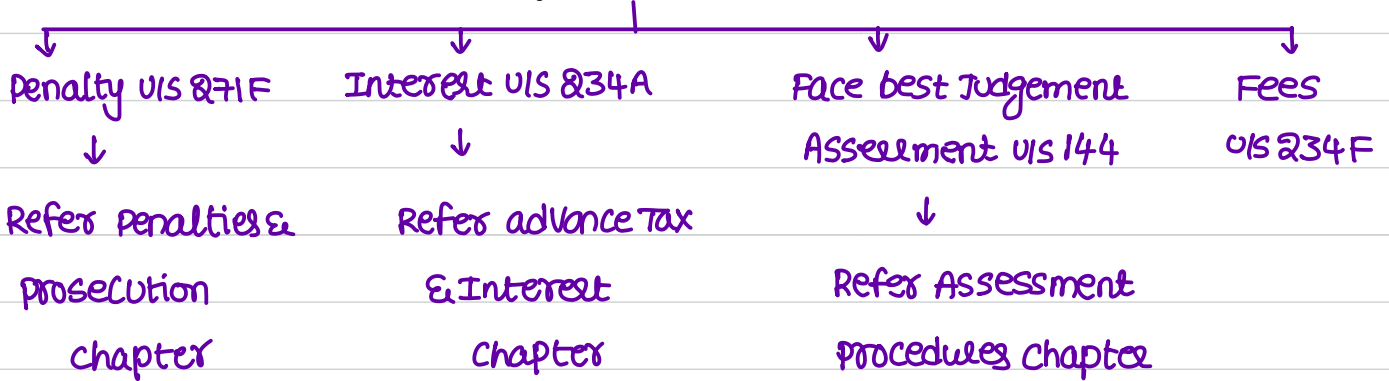


Time limit for Rectification of defect is 15 days.

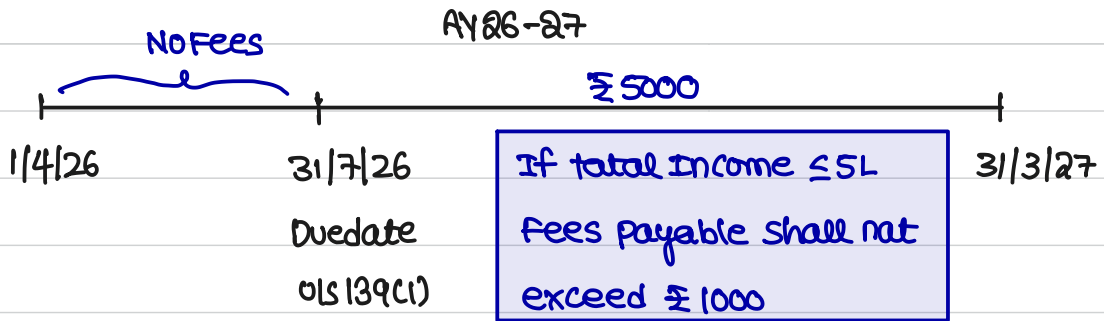
5. Sec 139(8A): updated Return



c) consequences for non filing of ROI u/s 139(1):



Fees u/s 234F



Analysis:

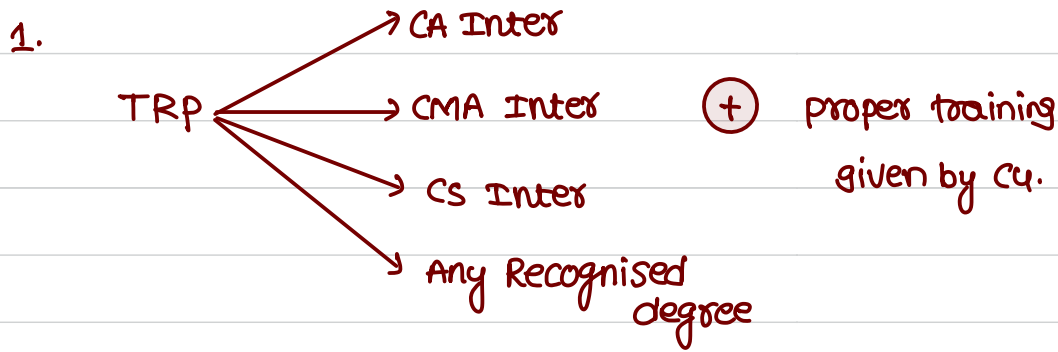
Case 1:



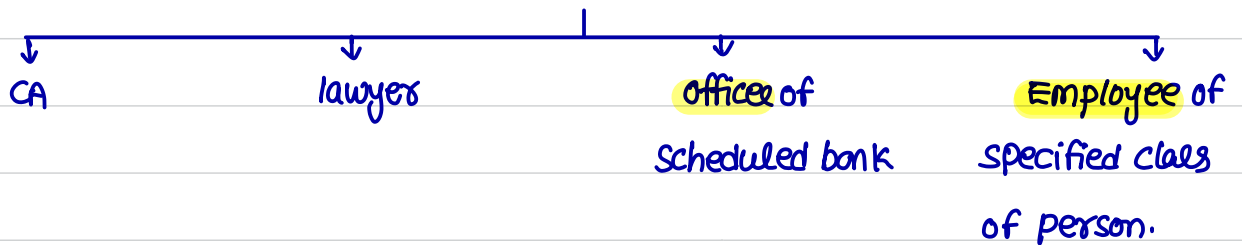
Case 2:



F) Tax Return preparer (TRP)



3. following persons can not acted as TRP



4) ITR FORMS

Rule 12 provides details about ITR FORMS

Income from salaries

- 1) ITR 1 : Ind (ROR) + Income from HP (one) + Total Income (Sahaj) IFOS [Except casual incomes] upto 50L LTCU UIS 112A upto 1.25 L Agricultural Income upto 5000

2) ITR 2 : Ind/HUF + not having PUBP

3) ITR 3 : Ind/HUF/P.Firm + Income from PUBP  
(other than LLP)

4) ITR 4 : Ind/HUF/P.Firm + Income from PUBP declared under  
(Sugam) (other than LLP) presumptive taxation provisions.  
(Ex: sec 44AD, 44ADA, 44AE).

a) Total Income upto 50 lakhs

b) Agricultural Income upto ₹5000

5) ITR 5 : For person (other than)

→ Ind

→ Company

→ HUF

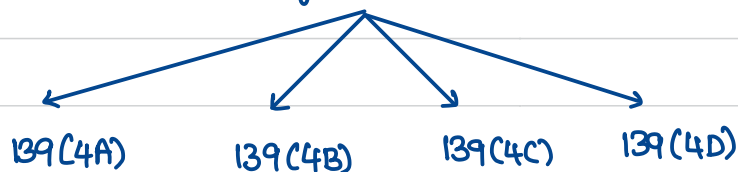
→ persons filing ITR 7

→ Firm

LLP

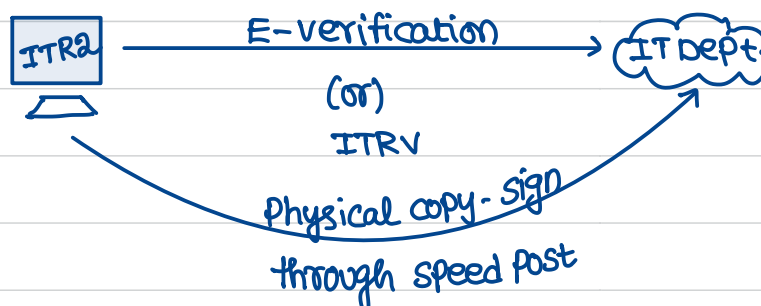
6) ITR 6 : For companies (other than) Companies claiming exemption u/s 11.

7) ITR 7 : For persons including (companies) required to file RoI u/s

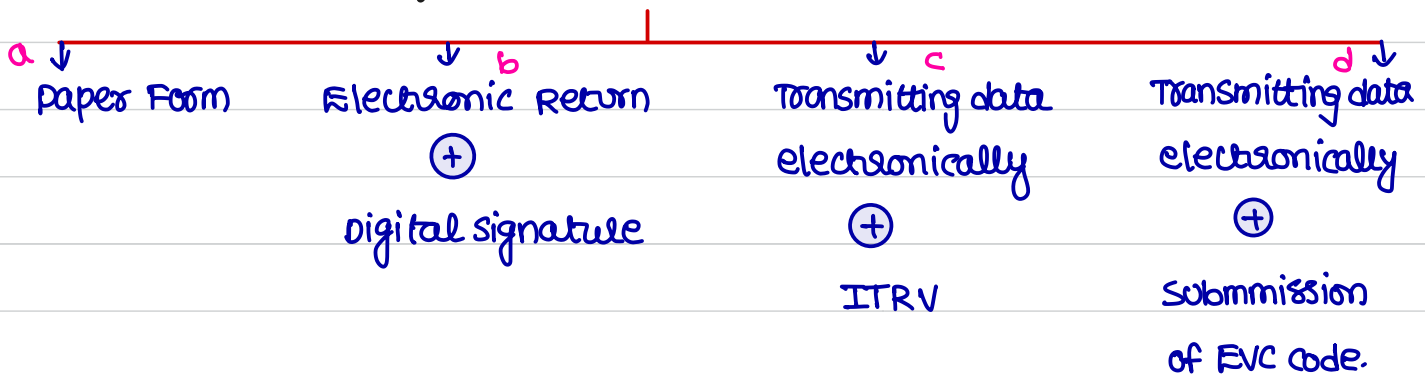


8) ITR V: Income Tax Return verification Form

[Income Tax Return transmitted electronically, without verification by signature]



## H) Modes of furnishing ITR:



⇒ Company  
Political party  
Firm/LLP/Ind/HUF + Tax Audit U/S 44AB } (b)

⇒ Ind (Age 80y / Male + ITR 1/4) } a/b/c/d

⇒ any other person } b/c/d

## I) 26AS Statement

following details - on yearly basis has provided in 26AS

a) Advance Tax, SAT, Regular Assessment Tax Paid by Assessee.

b) Tax Paid through TDS/TCS on behalf of Assessee.

c) Refund issued by dept to Assessee.

d) Details of T/o furnished in USTR-3B (Monthly Return).

e) Details of specified financial transactions. (SFT)

## J) Functionalities available at e Filing Portal:

[www.incometax.gov.in]

- a) view/download 26AS Statement.
- b) view/download efiled Returns/Forms.
- c) file of Returns/Forms.
- d) E-verification of Returns/Forms
- e) generate EVC code.
- f) filing a Return in response to defective Return
- g) add/remove CA.
- h) Register as Representative Assessee.
- i) Download prefiled JSON files.
- j) filing an appeal
- k) E proceeding
- l) Registration/ updation of digital signature
- m) Refund Reissue Request.
- n) Aadhar linking
- o) validation of Bank A/c / Demat A/c's
- p) profile updation.

## K) SEC 139A: PAN

\*) following persons are required to apply & obtain PAN mandatorily:

- (i) Every person who is Assesable to tax [on/before 31<sup>st</sup> may, AY]  
[Individual capacity / Representative capacity]
- (ii) Every person who carrying BIP → T/O (or) CIR exceeds / likely to exceed ₹ 5,00,000 in Any py. [Before end of that py]

(ii) TRUST

(P. Firm / company)

(iv) Resident person (other than Individual) who enters into financial transaction of ₹ 2,50,000 (or) more & Directors / partners / principal officers of such person. [on/before 31<sup>st</sup> may, AY]

\*) Quoting PAN

1. All Returns

2. Challans for payments of tax

3. sale / purchase of motor vehicles [other than 2 wheelers]

4. opening of current A/c.

5. application for debit card / credit card

6. opening of Demat A/c

Cash { 7. payment to hotel "incash" exceeding ₹ 50,000

8. Payment for foreign travel / purchase of foreign currency in "cash" exceeding ₹ 50,000

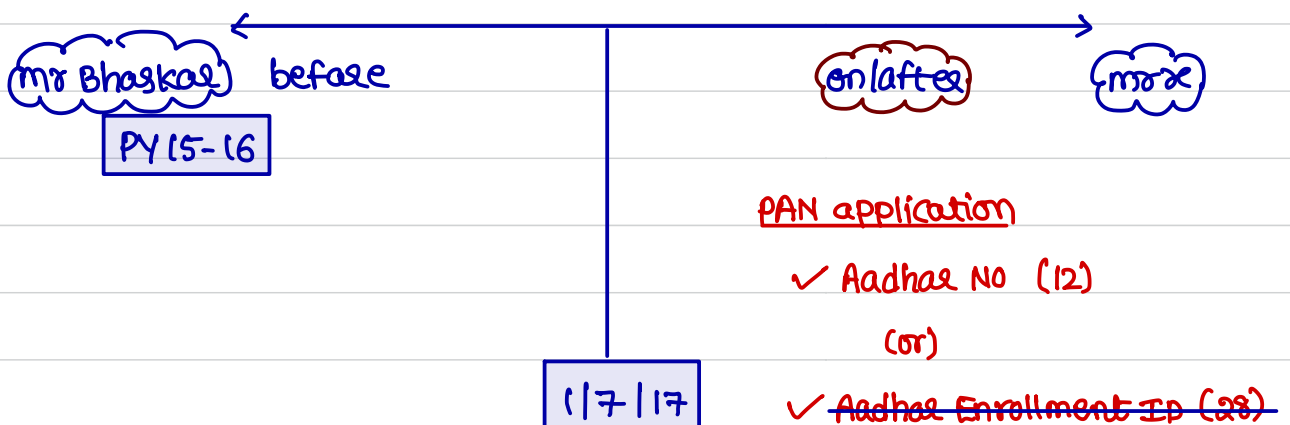
any mode { 9. Payment to MF, purchase of units exceeding ₹ 50,000

10. Payment to company, for acquiring debentures / bonds exceeding ₹ 50,000

11. Cash deposit with bank exceeding ₹ 50,000 in a day.
12. Payment of LIP premium exceeding ₹ 50,000 in FY.
13. Sale/purchase of immovable property exceeding ₹ 10L
14. Sale/purchase of goods/services exceeding ₹ 2L per transaction
15. Cash withdrawal aggregating ₹ 20L/more in FY in one/more Bank (or) Cooperative banks.
16. Cash deposits aggregating ₹ 20L/more in FY in one/more Bank (or) Cooperative banks.
17. opening of current A/c / cash credit A/c with bank (or) cooperative banks.

PAN needs to submit at least 7 days before the date on which he intends to enter into such transaction.

L) Sec 139AA: Aadhaar



→ Due date for linkage : 31/3/22.

→ Fees vis 234H: ₹ 1000

Rule:

1/4/22 to 30/6/22 : ₹ 500

on/after 1/7/22 : ₹ 1000

\* ) Non applicability

- a. person resides in Assam/JK/Meghalaya.
- b. NR
- c. Age of 80y/more at any time during PY.
- d. Not a citizen of India.

M) sec 140: verification of Return

Case

verify

1) Individual

Individual not present in India/  
mentally incapacitated

→ himself

} Any person competent to  
verify on his behalf

2) HUF

Karta not present in India/  
mentally incapacitated

→ Karta

} Adult member of HUF

3) P. Firm

If NO Managing partner

→ managing partner

→ any partner (not being a  
minor)

4) LLP

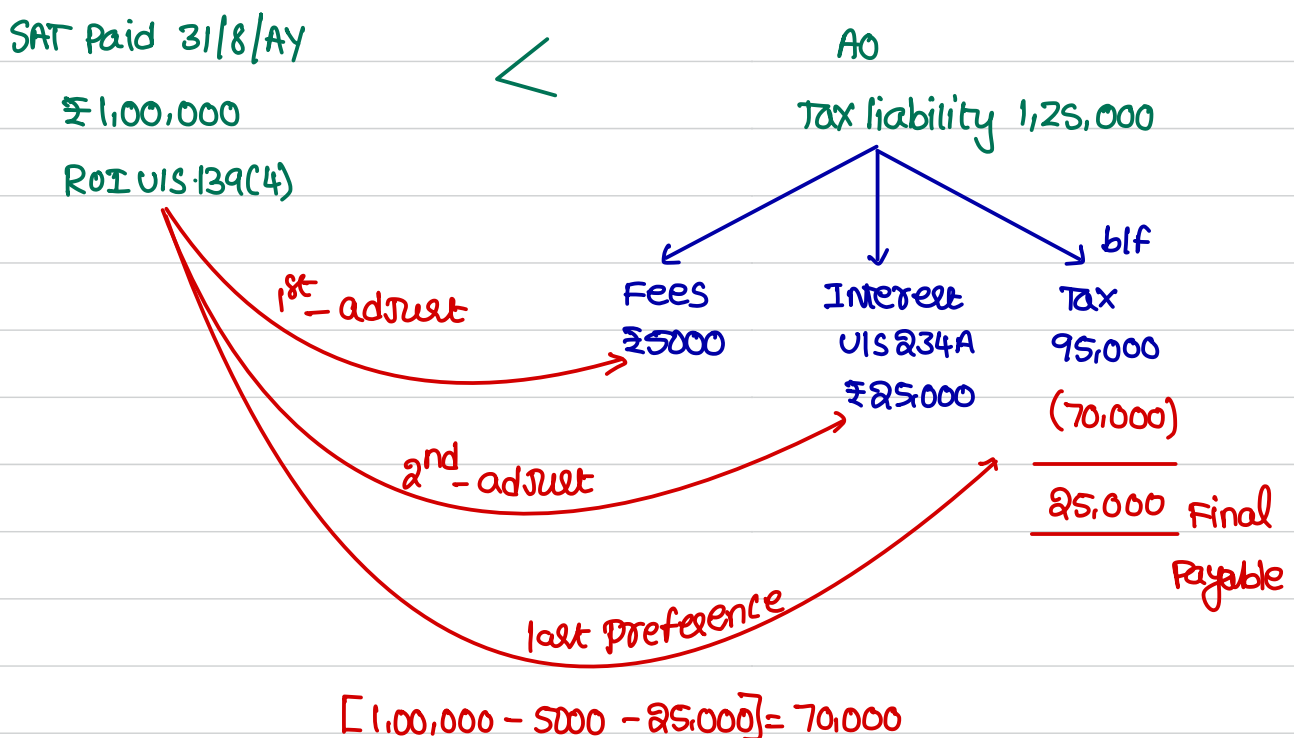
If NO Designated partner

→ Designated partner

→ Any partner.

- 5) → Domestic company
  - If No managing director
  - If any Company under liquidation
  - If Corporate insolvency Resolution process initiated under IBC, 2016
- managing director
- Any other director
- liquidator
- Insolvency Resolution Professional (IRP)
  
- 6) Foreign company
  - A person holding a valid Power of attorney.
  
- 7) Political party
  - CEO
  
- 8) Local Authorities
  - principal officers
  
- 9) any other person
  - any person competent to verify on this behalf.

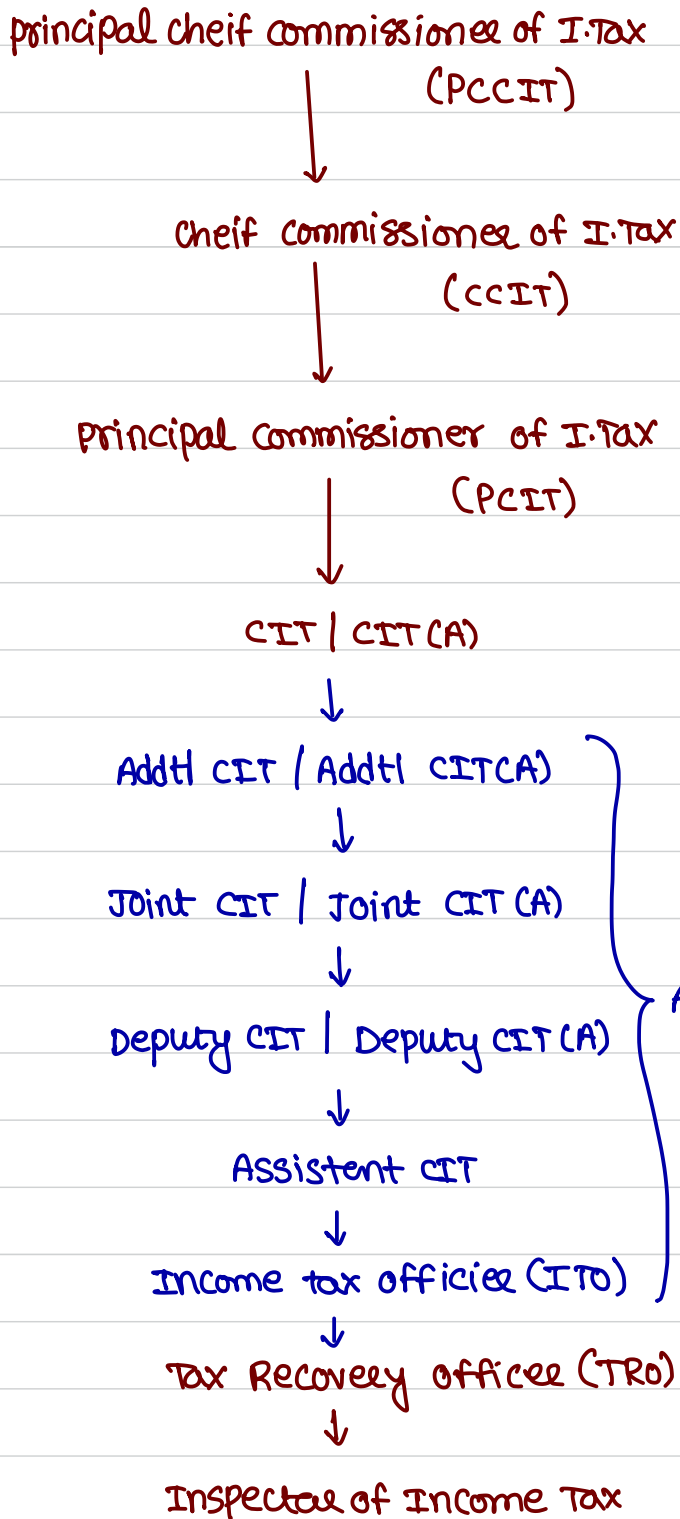
N) sec 140A: self Assessment



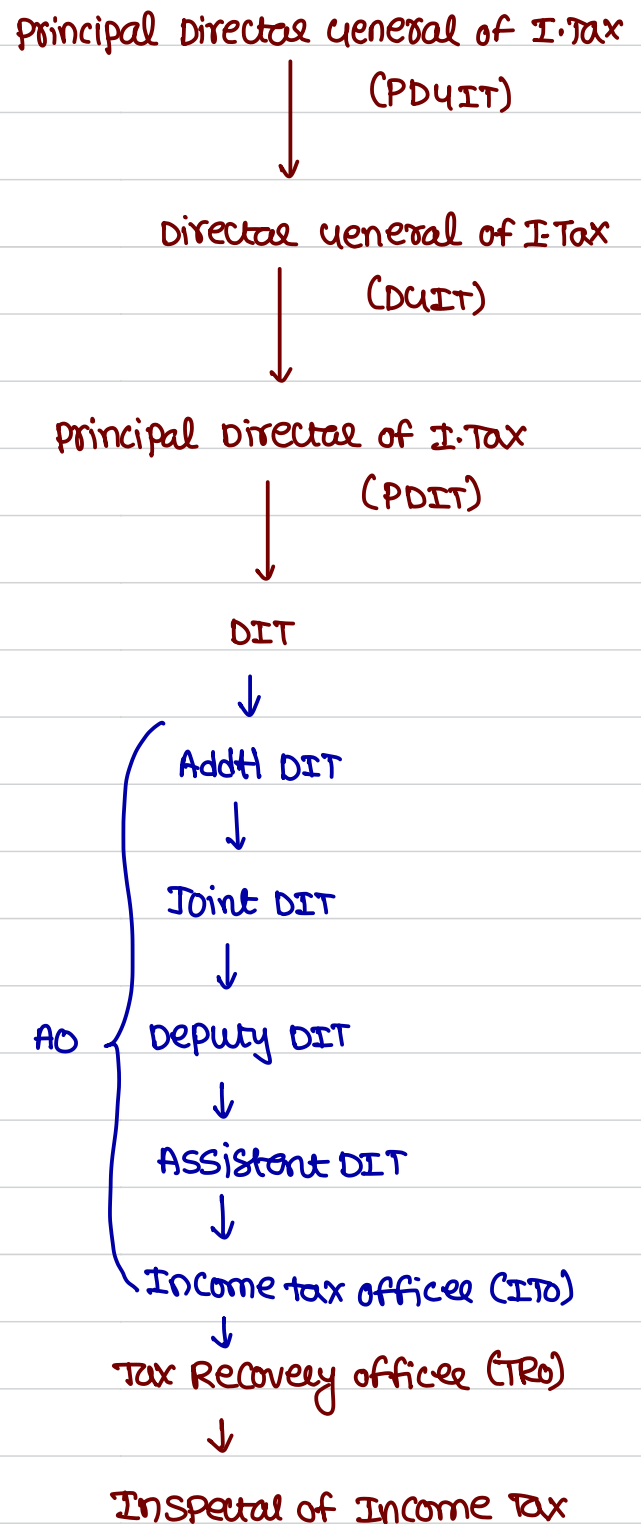
# Income Tax Authorities

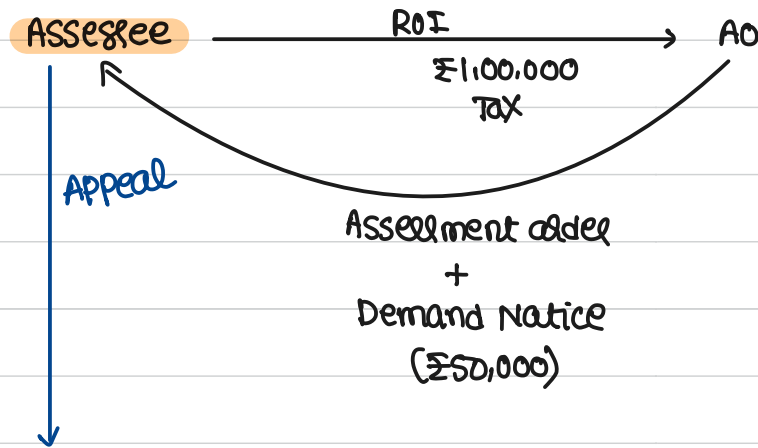
## a) sec 116: Income Tax Authorities

### Assessment wing



### Investigation wing

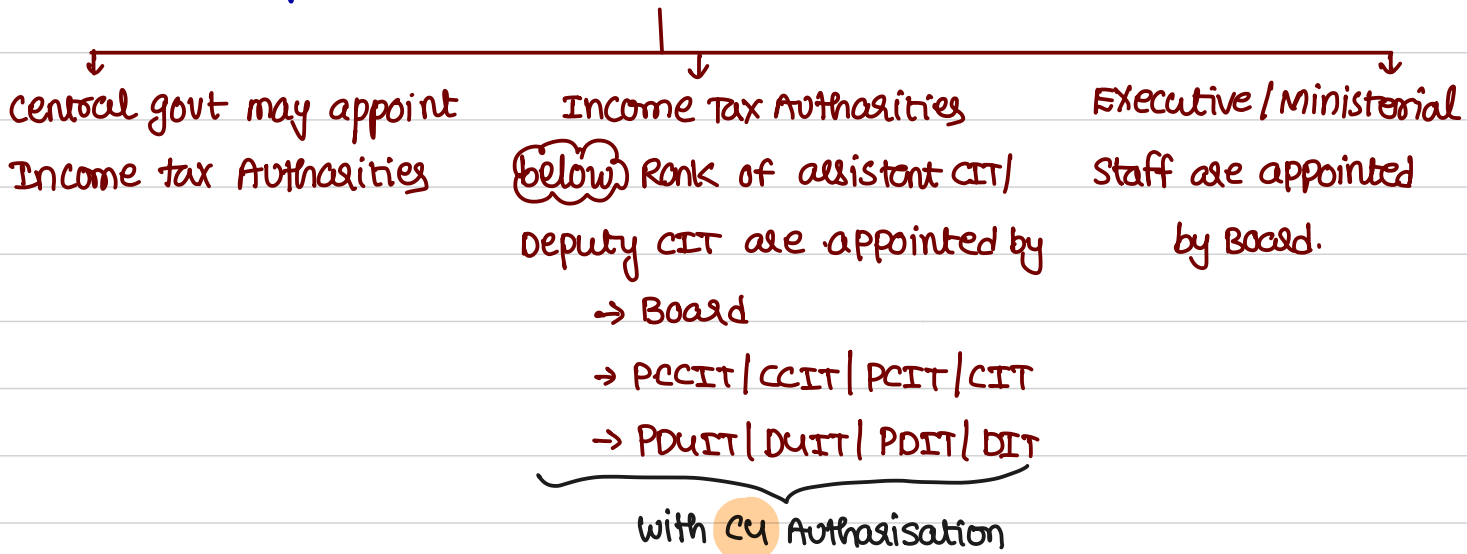




Appellate Authorities

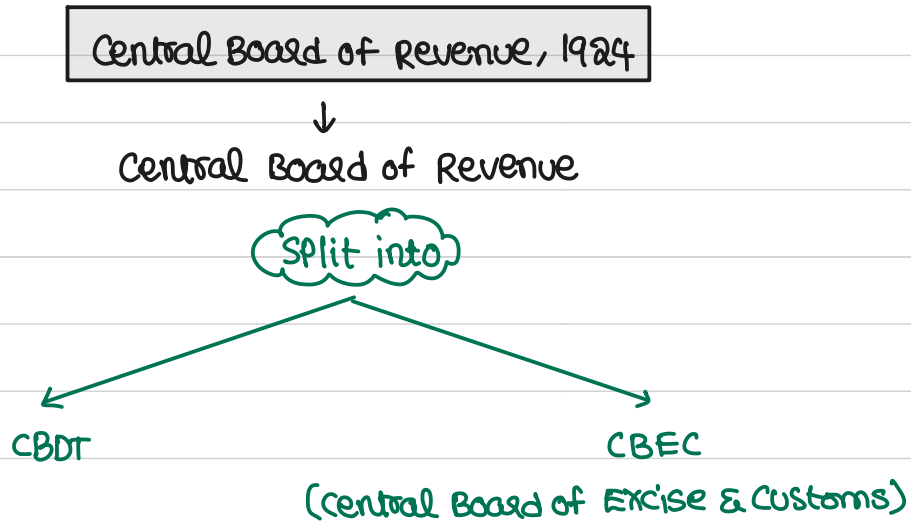
- 1. JCIT (A) / CIT(A) } treated as Income tax Authorities
- 2. ITAT }
- 3. HC } Not treated as Income tax Authorities.
- 4. SC }

b) sec 117: Appointment of Income tax Authorities

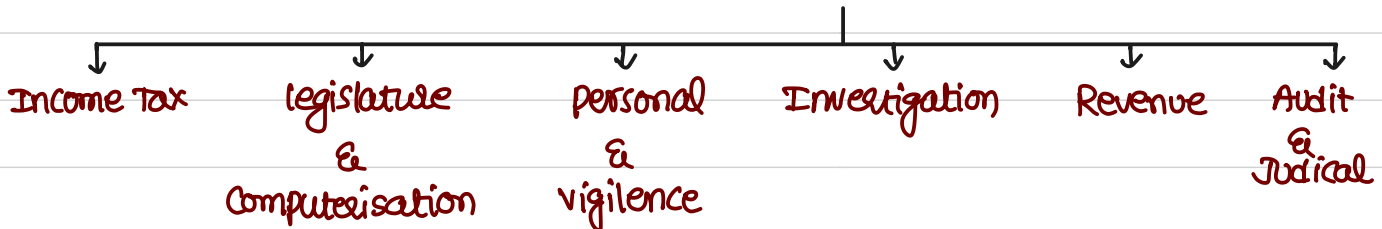


(\* All these appointments are subject to Rules & orders of C4

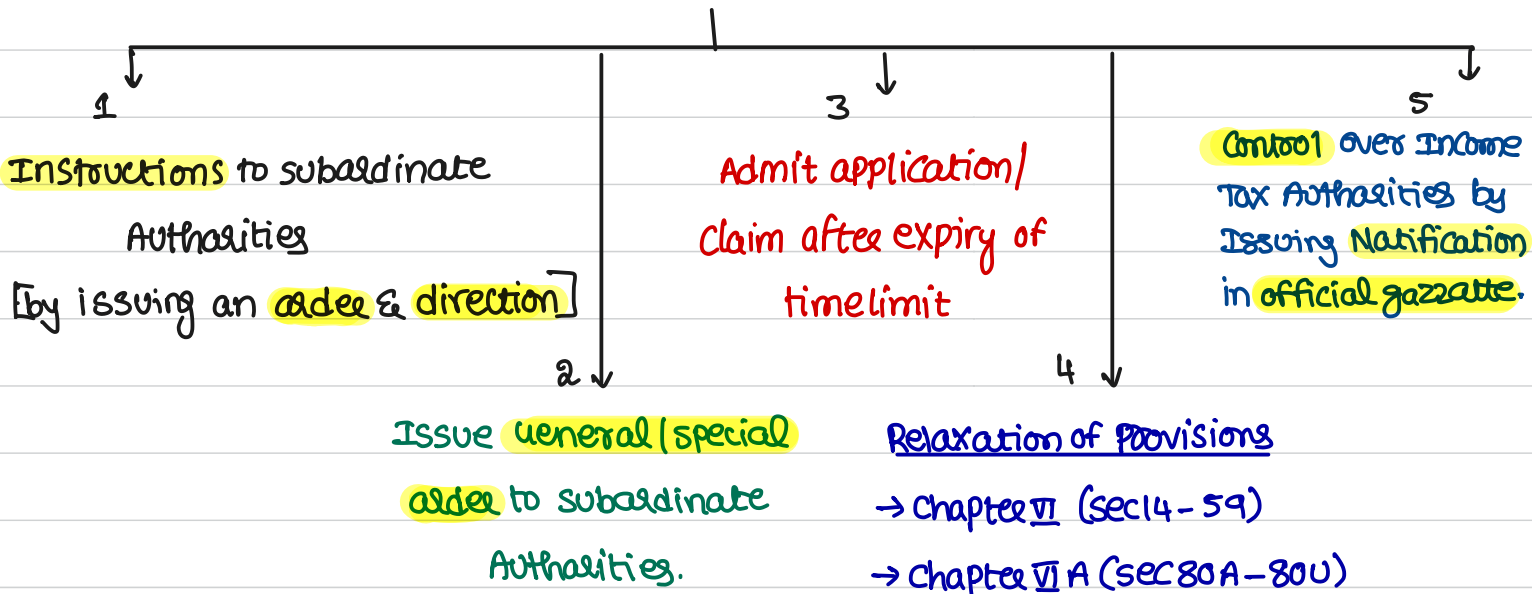
c) Central board of direct taxes (CBDT)



⇒ CBDT consists of a chairman & following six members



d) sec 119: powers of CBDT



## e) sec 119A: Tax Payer Charter

(i) CBDT shall adopt & declare "tax payer charter"

(ii) Board shall issue such orders, instructions, directions, guidelines



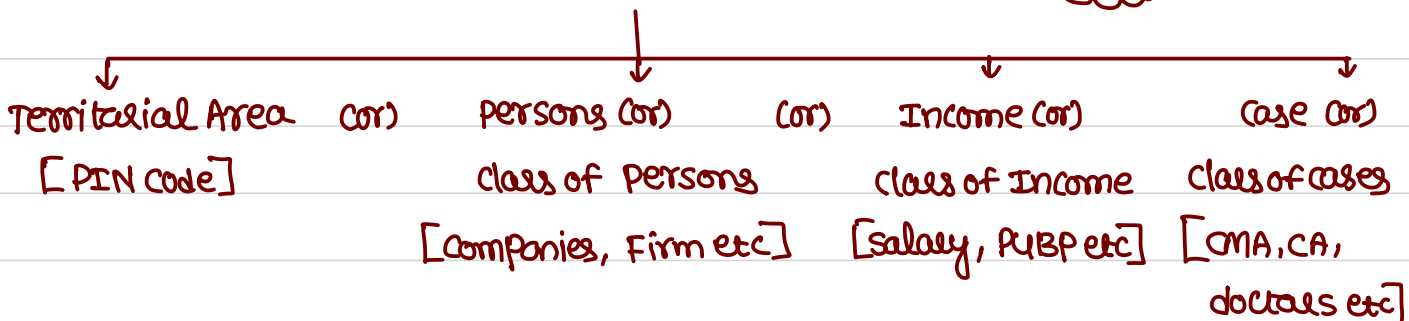
(to) Income Tax Authorities

(for) administration Tax payer charter.

## f) sec 120: Jurisdiction of Income Authorities

(i) Income tax Authorities shall exercise powers in their Jurisdictional Area in accordance with Board.

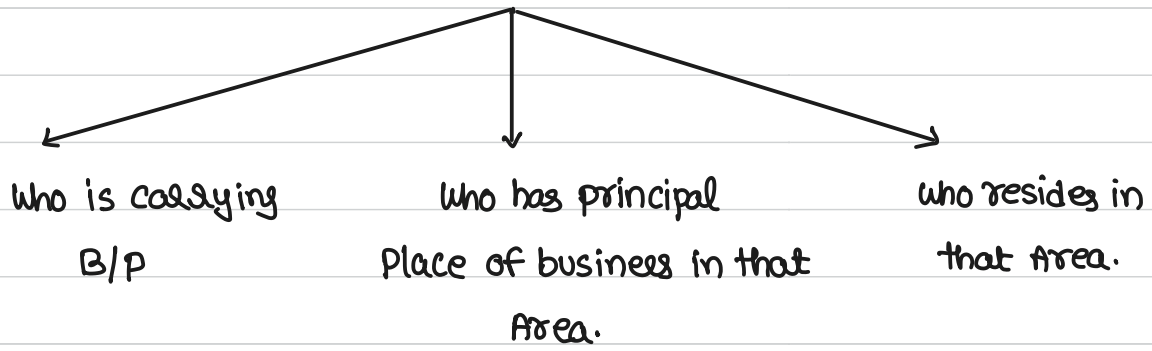
(ii) Jurisdiction of Income tax Authorities allocated on basis of



## g) sec 124: Jurisdiction of AO

(i) Income tax Authorities (AO) Jurisdiction allocated by using sec 120 basis.

(ii) once Jurisdictional Area allocated to AO, he can exercise his powers in his Jurisdictional Area over any person.



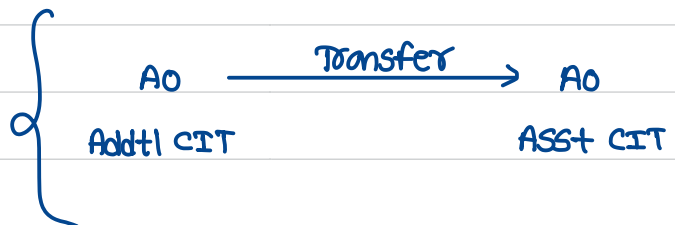
(iii) In case of dispute over Jurisdiction of AO, Assessee shall Refer to higher Authority (CIT).

(iv) Assessee can challenge Jurisdiction of AO, within the following time limits:

"Refer Assessment procedures"

h) Sec 127: power of transfer cases

(i) with prior approval of  
PCCIT/CCIT/PCIT/CIT  
PDUIT/DUIT



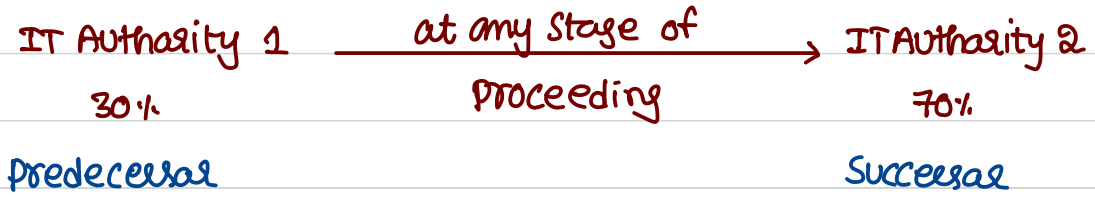
\* OBH shall be provided to Assessee.

(ii)



(i) sec 129: Succession of IT Authority

no Bhaskar  
Assessee



Opportunity of being heard to Assessee.

The Assessee may demand that continuation of proceedings as above, The previous proceeding (or) any part of previous proceedings thereof to be reopened before passing Assessment order against him.

J) sec 130: Faceless Jurisdiction of IT Authorities

Face to Face Manner

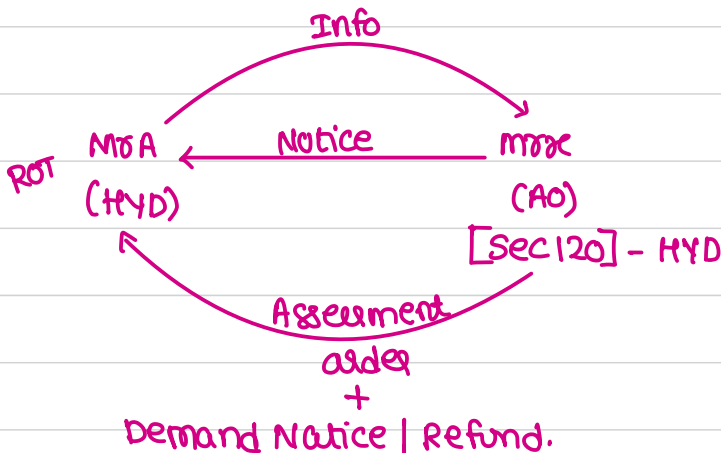
Interaction b/w Assessee & Dept

Faceless manner

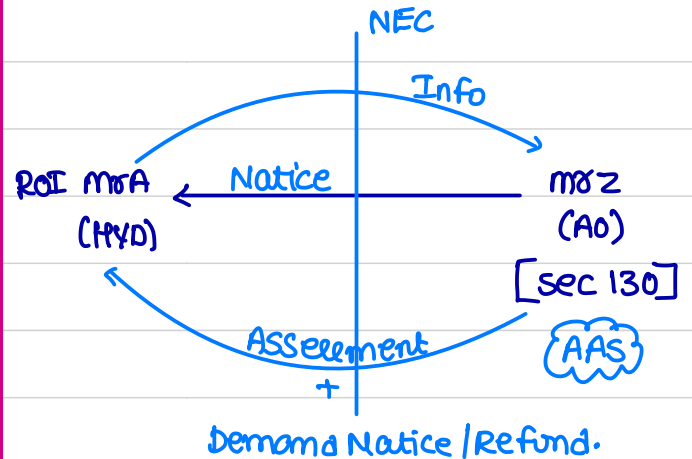
No Interaction b/w Assessee & Dept

In order to Remove Interaction b/w Assessee & Dept

Face to Face Assessment



Assessment → Faceless manner



Sec 130, CU empowered to Notify the scheme of Faceless Jurisdiction of Income tax Authorities through "Automated Allocation System" (AAS) in accordance with sec 144B. (Faceless Assessment).

# Assessment procedures



## Content:

1. sec 142: Inquiry before Assessment.
  - + sec 142(1): Notice to Assessee for Inquiry
  - + sec 142(2): Inquiry - Info from any source.
2. sec 142(2A) to (2D): special Audit & Inventory valuation
3. sec 142(3): OBH wrt sec 142(2) & sec 142(2A) to (2D)
4. sec 142A: Reference to valuation officer (VO)
5. sec 142B: Faceless Inquiry / valuation
6. sec 143(1): processing of Return / Intimation / Summary Assessment
7. sec 143(2): Notice for scrutiny Assessment.
8. sec 143(3): scrutiny Assessment / Regular Assessment
9. sec 144: Best Judgement Assessment (BJA)
10. sec 144A: power of JCIT to issue directions.

11. sec 144B: Faceless Assessment
12. sec 144c: Dispute Resolution Panel (DRP)
13. **sec 147**: Income escapement Assessment / Reassessment / Reopening of cases.
  - a) sec 148 → Notice for Assessment u/s 147
  - b) sec 149 → Time limits for issue of Notice u/s 148
  - c) sec 148A → Ao has to follow some steps before issuing sec 148 Notice.
  - d) sec 151 → Permission from specified Authorities
  - e) sec 152 → Rate of Taxation.
14. sec 153: Time limits for completion of Assessments
15. sec 156: Demand Notice
16. sec 156A: modification / Revision of Demand Notice in certain cases
17. sec 292BB: Notice of Ao deemed to treat as valid in certain cases.

## 1. Sec 142: Inquiry before Assessment

Sec 142(1): Issue of Notice (to) Assessee



Collection of Information from Assessee.

a) Return

AO  $\xrightarrow{\text{Notice to furnish ROI}}$  Assessee  
[After due date u/s 139(1)]

If fails  
Best Judgment  
Assessment u/s 144

b) Books & Information

For making Assessment  
AO  $\xrightarrow{\text{Notice}}$  Assessee

↓

Produce Books & Documents [Max 3y prior RPY]      furnish Info Related to Assets & Liabilities

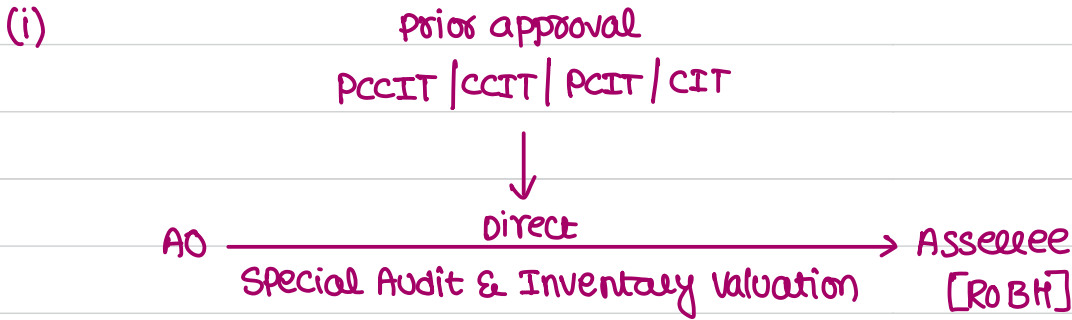
Search & Seizure.

Sec 142(2): Inquiry

Collection of Info from any source.

For the purpose of obtaining full information in respect of Income/Loss of any person, the AO make Inquiry u/s 142(2).

2. Sec 142(CAA) to (2D): Special Audit & Inventory valuation  
 [Audit by dept]



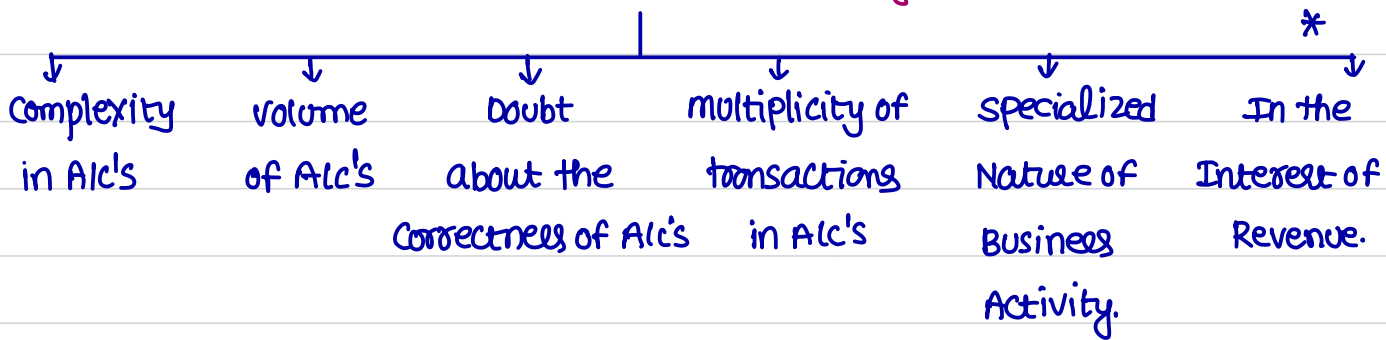
(ii) In the hands of Assessee

✓ Tax Audit U/s 44AB } special Audit & Inventory valuation  
 ✓ any other Audit } is mandatory

(iii) special Audit → CA } Nominated by  
 Inventory valuation → CMA } PCCIT / CCIT / PCIT / CIT

(iv) Remuneration to CA & CMA Paid by "Central govt"

(v) Circumstances leads to special Audit / Inventory valuation:



(vi) Special Audit report / Inventory valuation report

- Has to submit within time limit framed by Ao
- Time limit can be Extended (original + Extension) shall not exceed 180 days.

→ period of 180 days shall be counted from date of direction of special Audit / Inventory Audit.

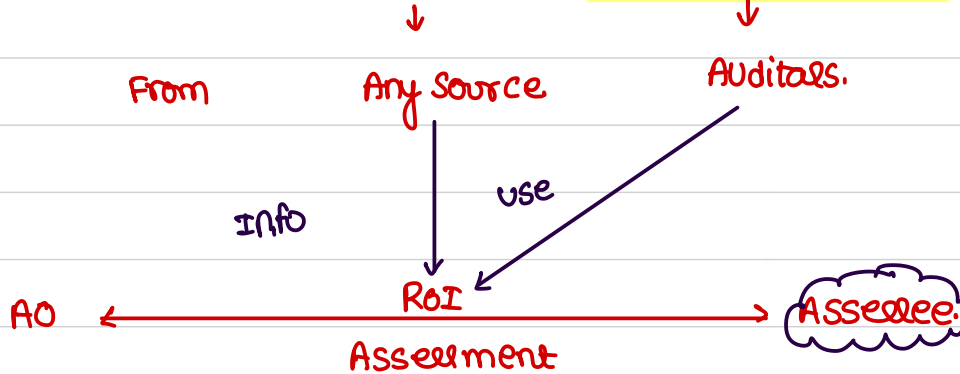
(vii) The CA/CMA shall submit report in **Form-6B** to Assessee

(viii) IF Assessee fails get special Audit / Inventory valuation



AO can make best Judgment Assessment u/s 144

3. Sec 142(3): OBH w.r.t Sec 142(2) & Sec 142(2A) to 2(C)



Sec 142(1)  
↓  
Assessee.  
Info Directly AO can use in Assessment without ROBM.

[Before using AO should provide OBH]

4. Sec 142A: Reference to valuation officer (VO)

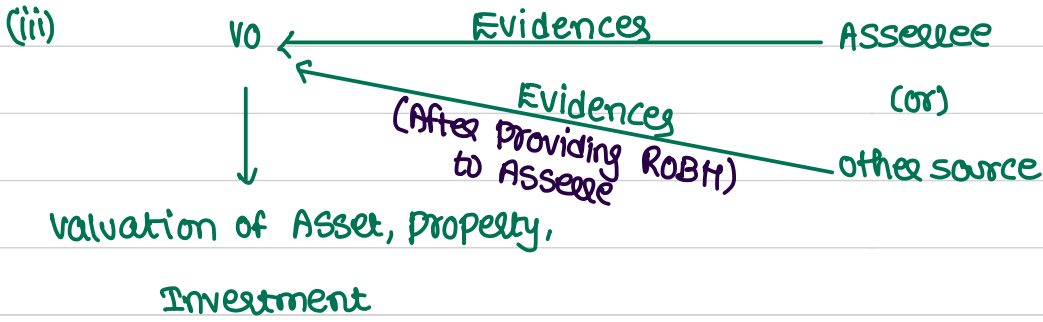
(i) Estimate value of any Asset, property (or) Investment declared in RoI.



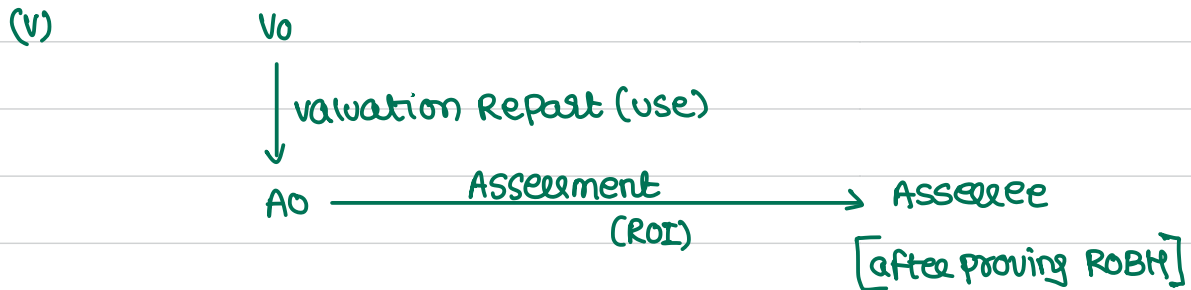
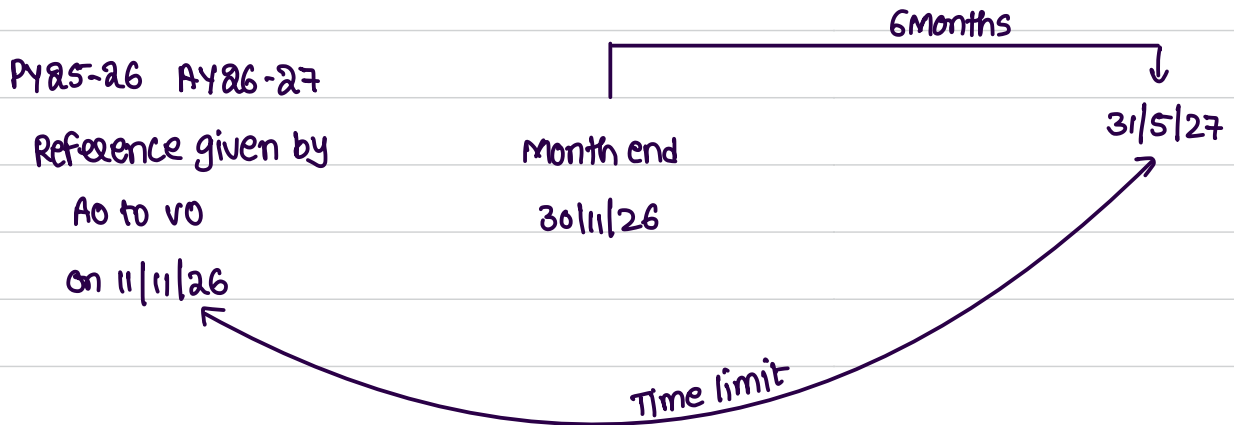
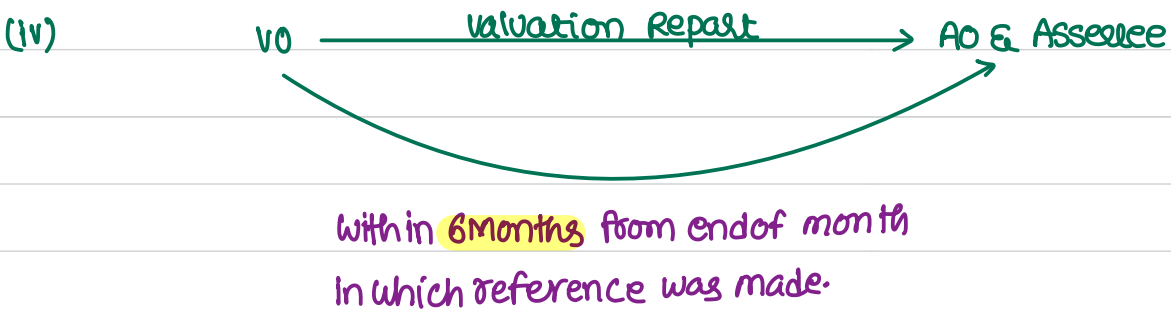
(ii)



Required to estimate value of Any Asset, property (or) Investment.



If Assessee does not cooperate with directions of VO, then he values assets / property / Investment to the best of his judgement.



## 5. Sec 142B: Faceless Inquiry / valuation

central govt introduces Faceless Inquiry / valuation scheme.

### Normal Assessment

Sec 142(1)  
 Sec 142(2)  
 Sec 142(2A) to (2D)  
 Sec 142A

### Faceless Assessment

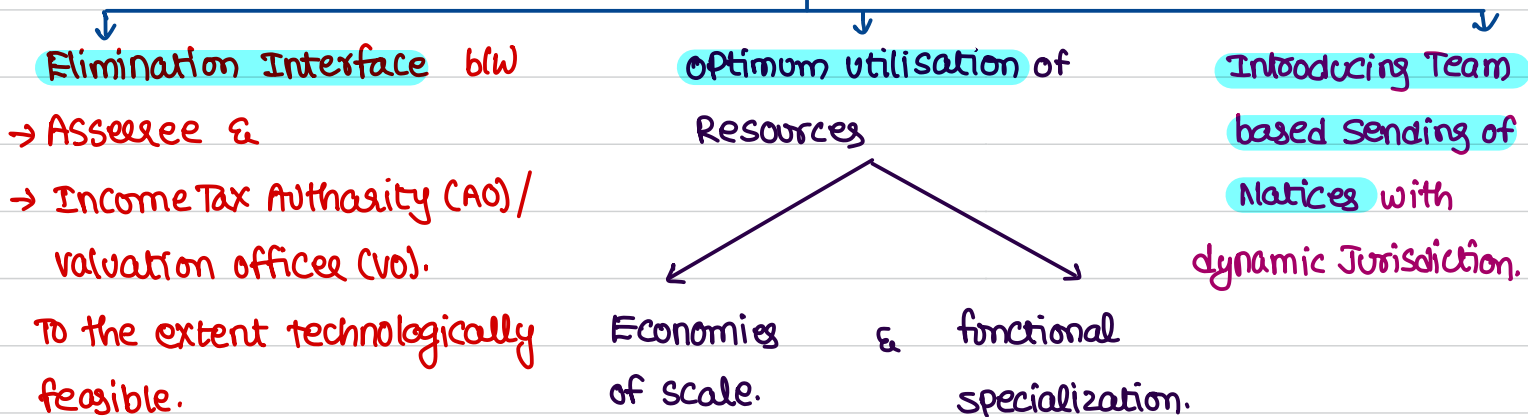
Sec 142B: Faceless Inquiry / valuation.

(\*) Jurisdiction of IT Authorities allocated based on (Sec 120)

(\*) Jurisdiction of IT Authorities allocated based on (Sec 130) AAS

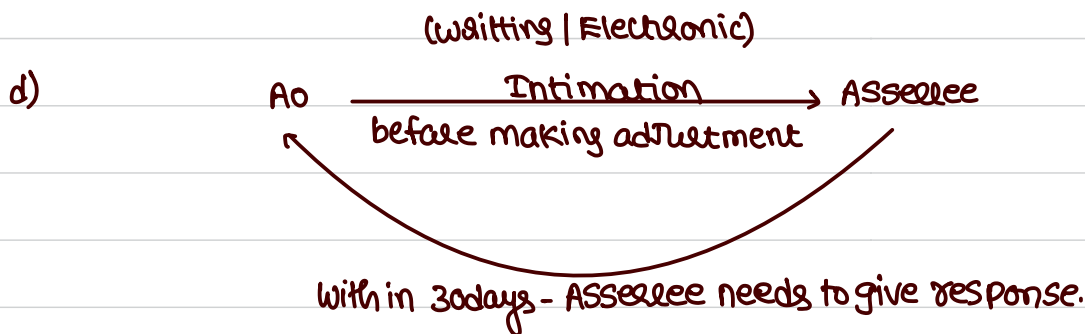
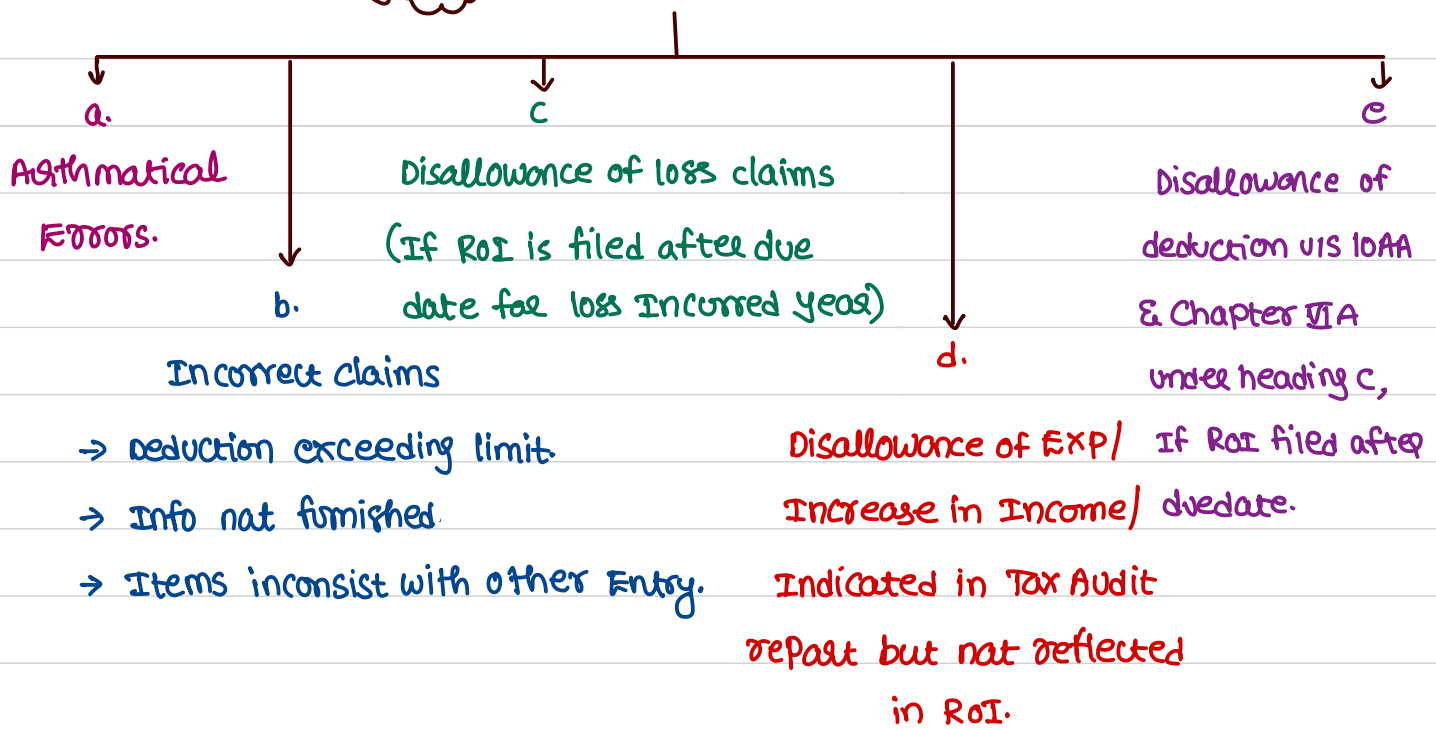
Faceless Inquiry / valuation shall be in Faceless manner through AAS.

### Objectives of Faceless Inquiry / valuation

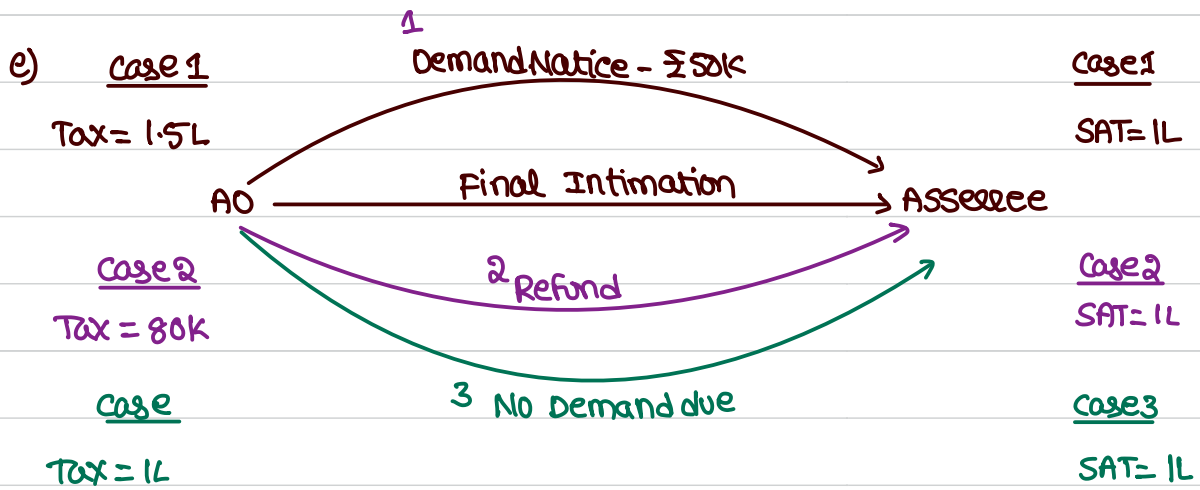


6. Sec 143(1): processing of Return/Intimation/Summary Assessment

- a) All Returns shall be processed vis 143(1).
- b) It is an Computerised preliminary Assessment.
- c) While processing of Return of Income vis 143(1), "following adjustments" can be done by (AO) to ROI.

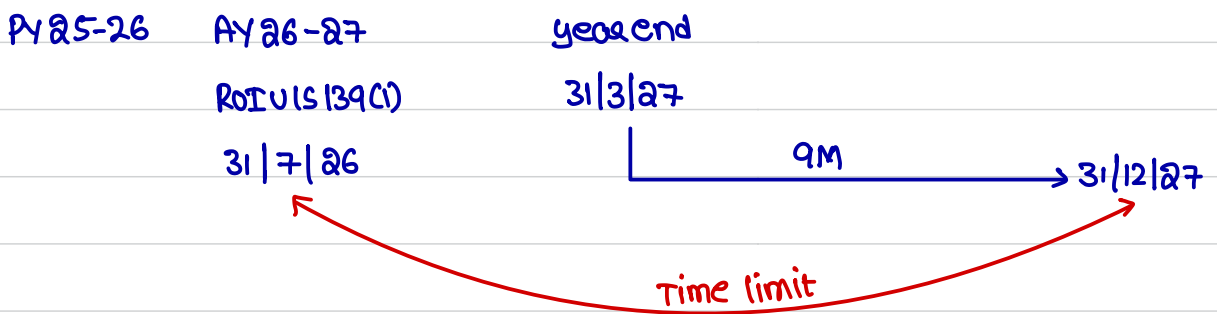


\* Wef 1st April, 2025 (AY 25-26) AO may also make adjustments to address inconsistencies in Return in relation to information in Return of any preceding previous year.



f) Time limit:

Final Intimation shall be sent to Assessee within 9 Months from end of FY in which ROI was filed.



7) sec 143(2) : Notice for sec 143(3) Assessment

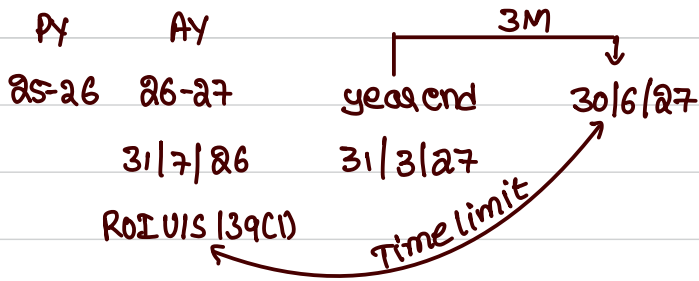
8) sec 143(3) : scrutiny Assessment | Regular Assessment

a) processing of Return u/s 143(1) is mandatory, even if Notice u/s 143(2) has been issued.

b) Issuance of sec 143(2) Notice is mandatory for scrutiny Assessment u/s 143(3).

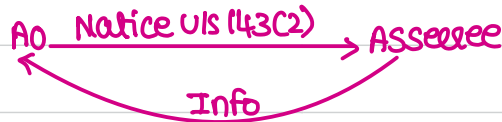
Sec 143(2)  
Notice for scrutiny Assessment

AO Notice u/s 143(2), Assessee  
Served within 3 months  
from end of FY in which  
RoI was filed.



Sec 143(3)

order of scrutiny  
Assessment



Based on material Evidences

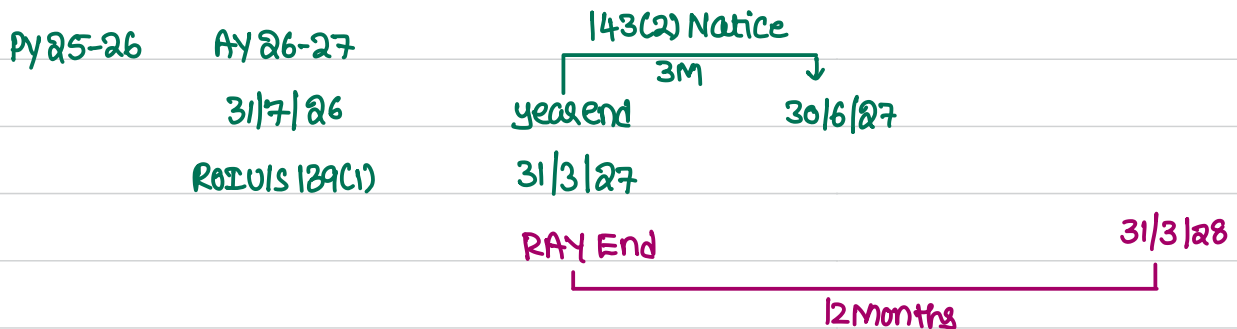
furnished by Assessee in  
response to sec 143(2) Notice.

AO shall determine Income/  
Loss of Assessee Along with  
Tax payable / Refundable.

Time limit

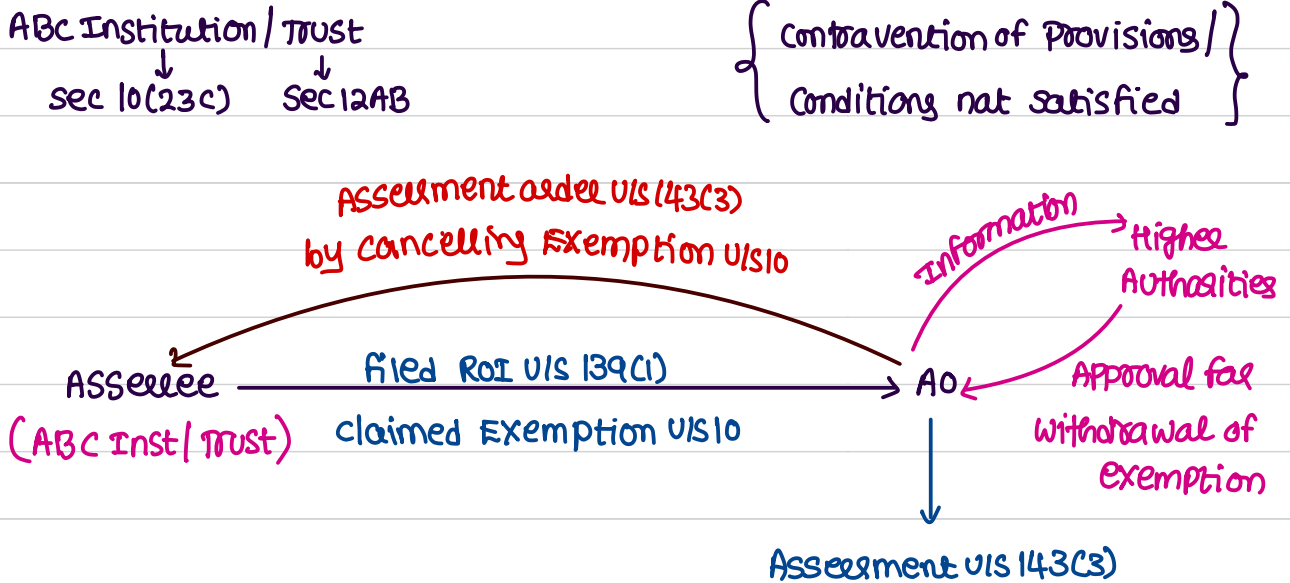
With in 12 Months  
from end of RAY.

Example:



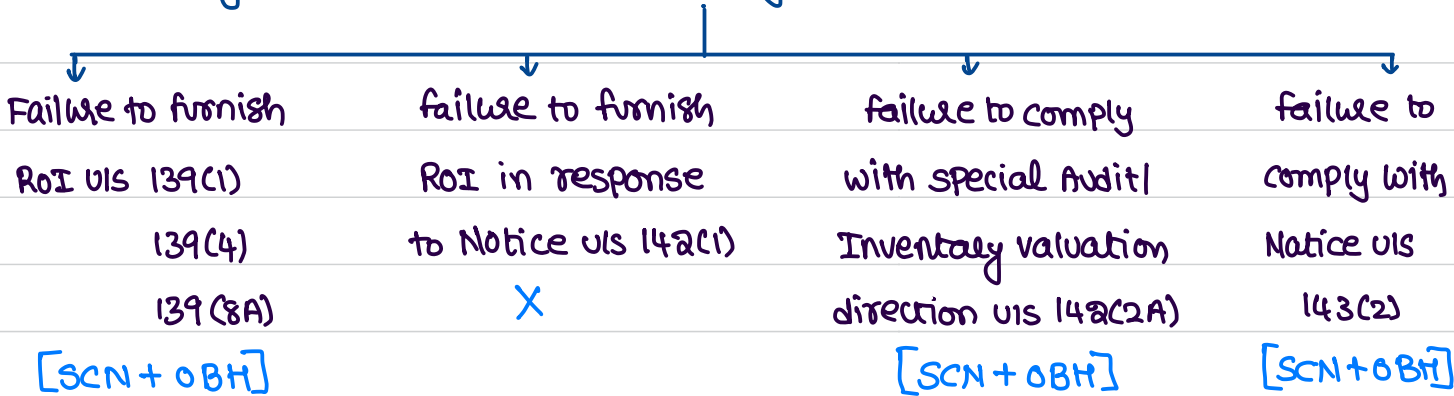
(\*) If Assessee failed to submit Info w.r.t Notice u/s 143(2), then AO shall initiate best Judgement Assessment u/s 144.

Example:

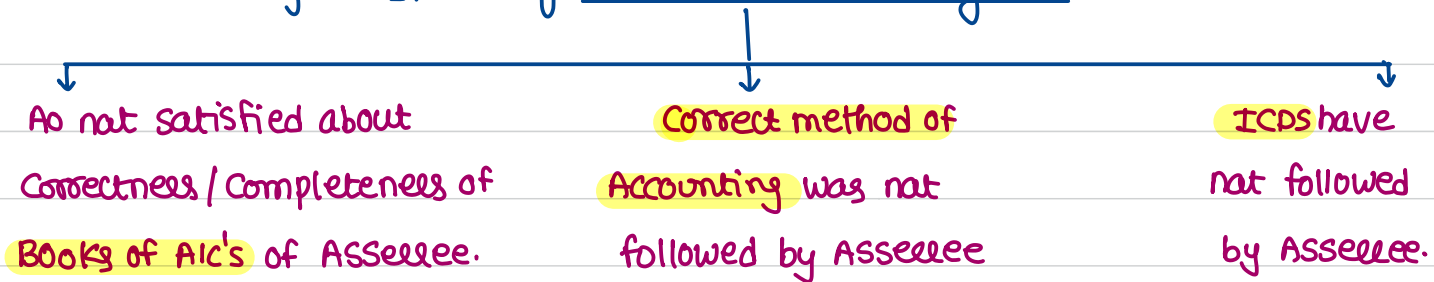


9. Sec 144: Best Judgement Assessment

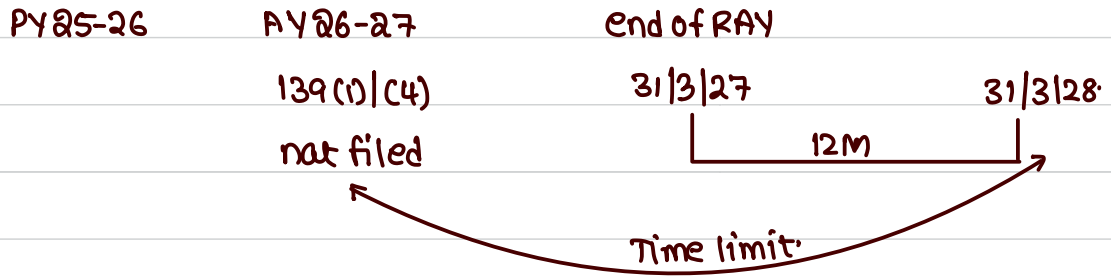
a) AO shall make assessment to the best of his judgement & his knowledge for doing Assessment in the following cases



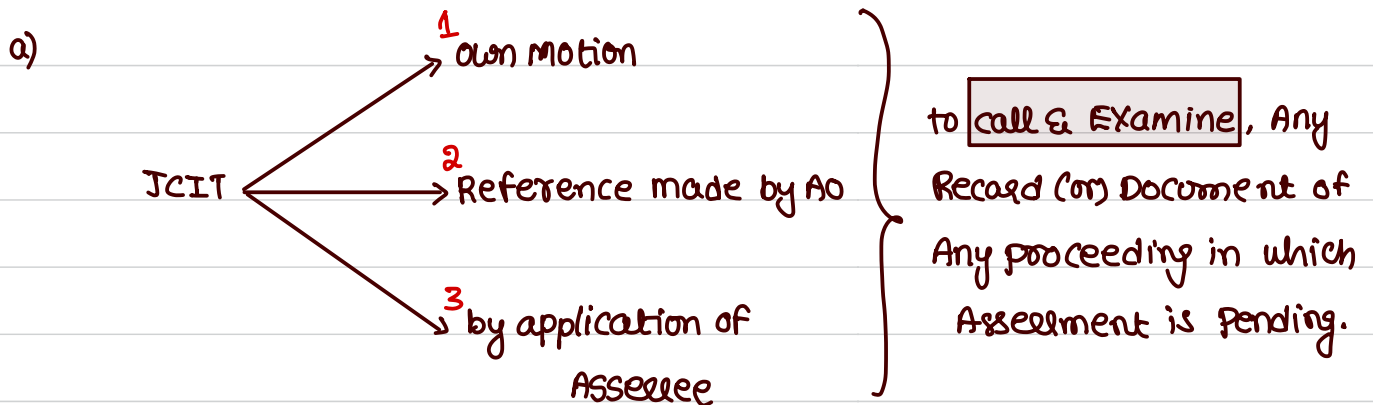
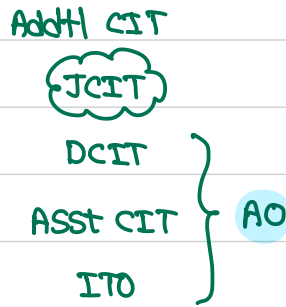
b) In the following cases, AO may initiate discretionary BJA



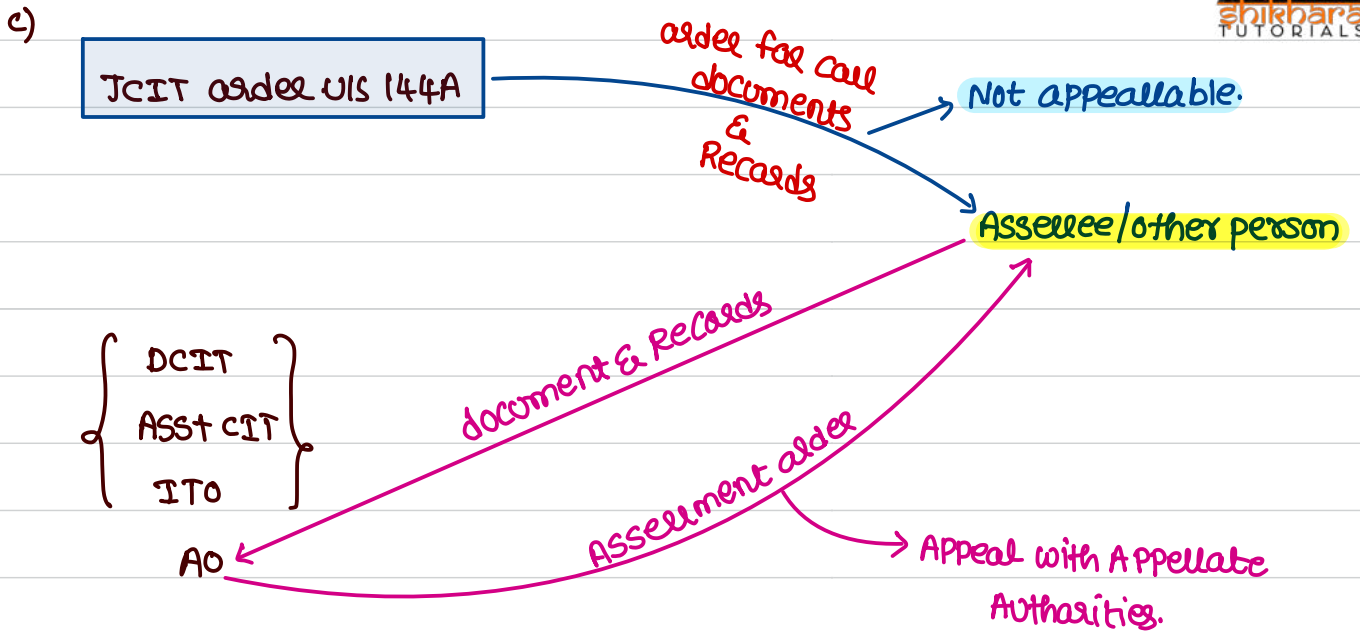
c) Time limit: Same as sec 143(3).



10. sec 144A: Power of JCIT to issue directions } the direction can be binded on Ao.

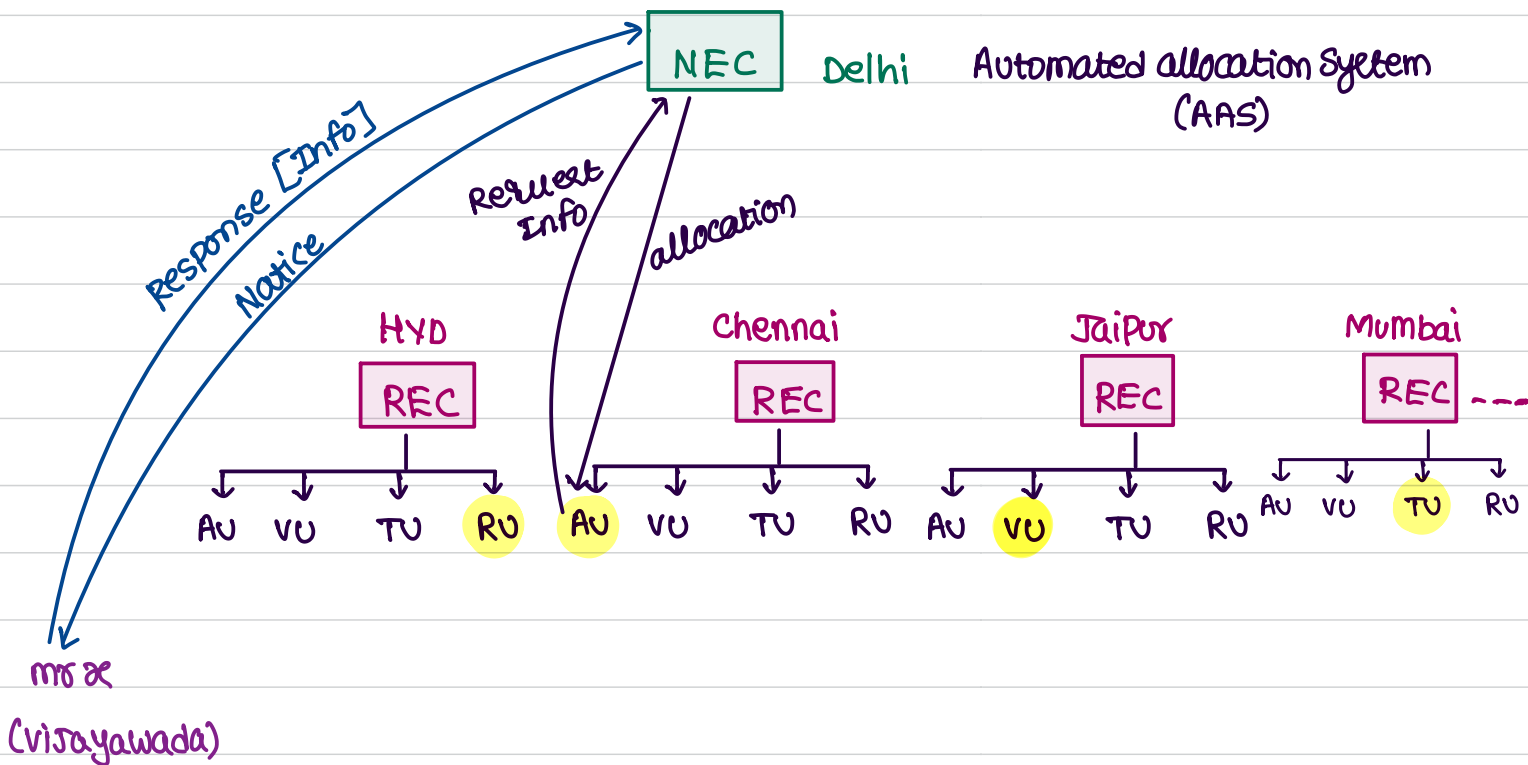


b) It is necessary JCIT may issue directions for the grounds of Ao [DCIT/ASSTCIT/ITO] to enabling them to complete assessment.



ii) Sec 144B: Faceless Assessment

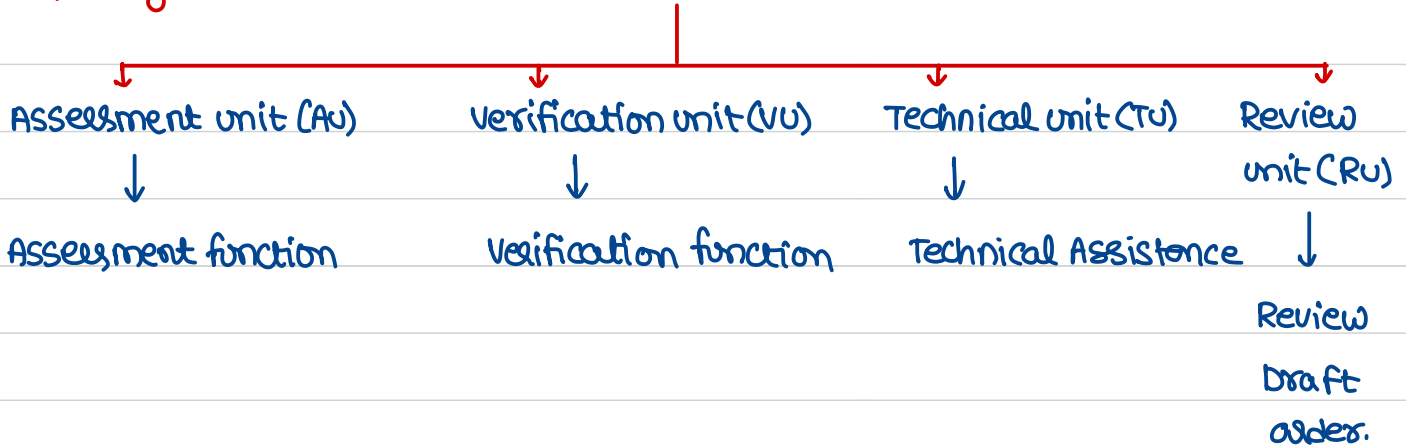
(sec 143C3)/sec 144/sec 147)



\* National E assessment center [NEC]

located at New Delhi  
[centralised one]

### \* Regional E assessment center [REC]



a) NEC shall serve the Notice to Assessee u/s 143(2)/SCN/Sec 148.

b) NEC shall assign case to Any AU in any REC through AAS.

c) AU make request to NEC for



obtaining Info, documents & Evidences  
from Assessee / other person



NEC will issue Notice to Assessee / any  
other person for submission of Info.



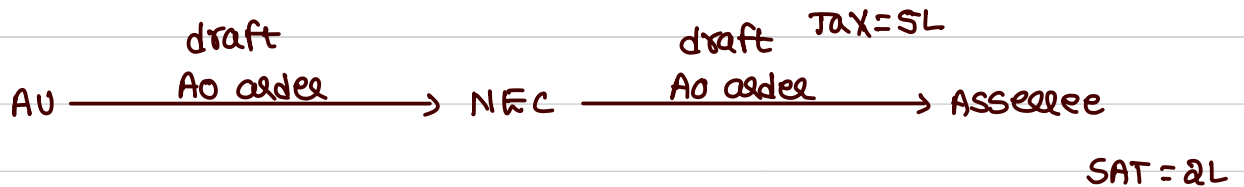
NEC shall forward Info, documents & Evidences  
to AU.

d) Conduction Inquiry & verification by VU → NEC shall assign to any VU through AAS.

e) Technical assistance by TU → NEC shall assign to any TU through AAS.

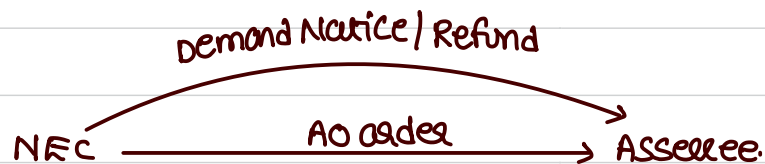
f) on the basis of material evidences, AO will make draft Assessment order u/s 143(3)/144/147.

g) NEC will provide ROBT to Assessee, If variation is harmful to Assessee.



h) NEC shall assign draft AO order to any RO through AAS.

i) NEC will finalise the draft order & send a copy of order to Assessee.



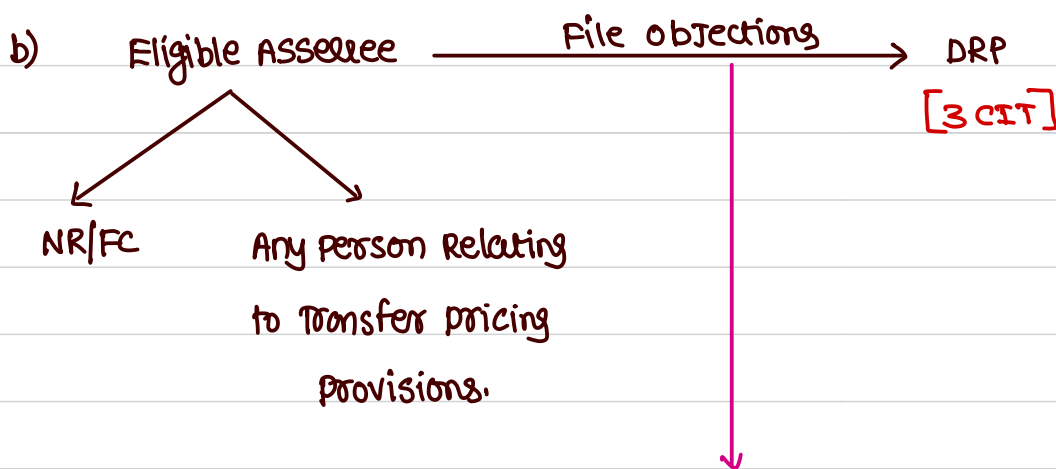
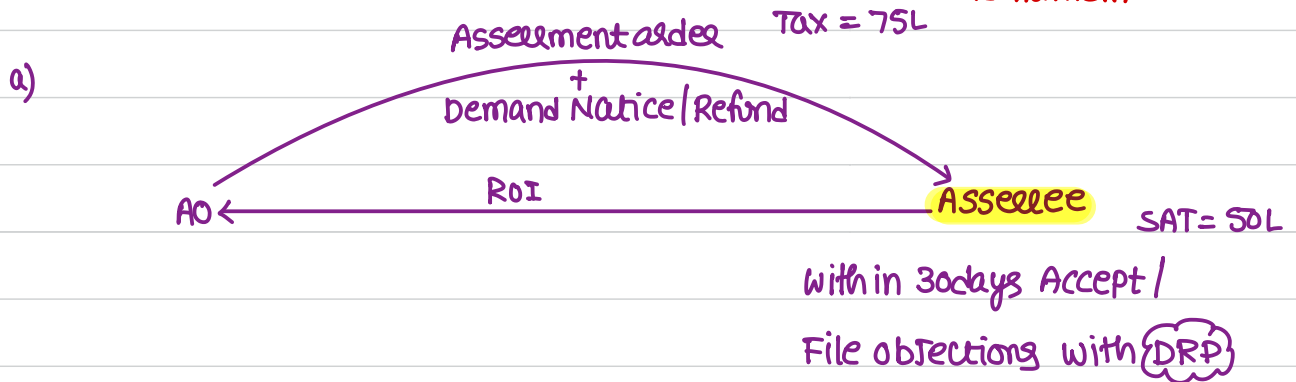
j) All communications b/w NEC & REC (AU, VU, TU, RU) & Assessee/any other persons shall be exclusively in electronic mode.

k) Personal hearing is not allowed but personal through video Conferencing is allowed.

l) NEC can transfer the case at any stage to Jurisdictional AO (For Normal Assessment).

## 12) sec 144c: Dispute Resolution Panel (DRP)

Alternative  
Dispute Resolution  
Mechanism.



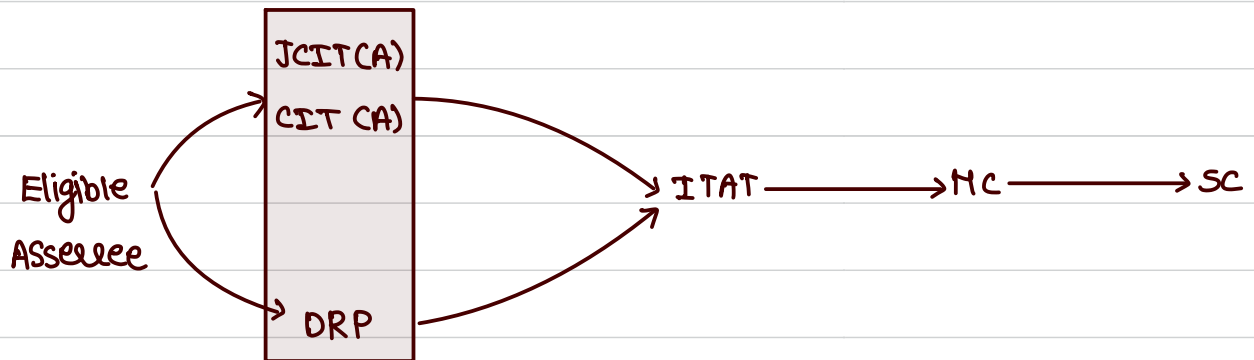
DRP shall issue direction, after considering the following:

- AO order
- Objections filed by Assessee
- Evidences furnished by Assessee
- Report (valuation reports / transfer pricing officer reports)
- Records related to AO order
- Evidences collected by DRP
- Inquiry results etc

c) DRP may confirm / Reduce / Enhance the variation of draft order.

d) Directions issued by DRP shall be binding on AO.

e) order passed by AO on the basis of directions issued by DRP, shall be appellable before ITAT.



f) Time limit:

DRP shall issue **direction** within 9 months from end of month in which draft AO order is forwarded to Assessee.

AO  $\xrightarrow[\text{23/12/26}]{\text{order}}$  Assessee

Monthend

31/12/26

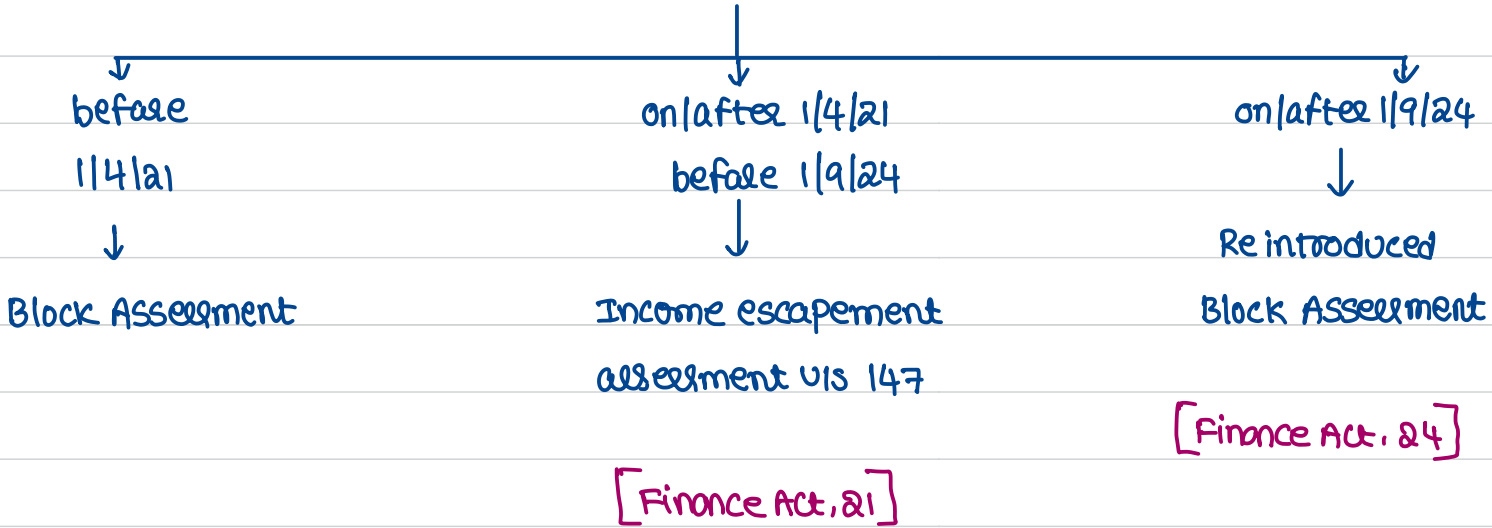


9M

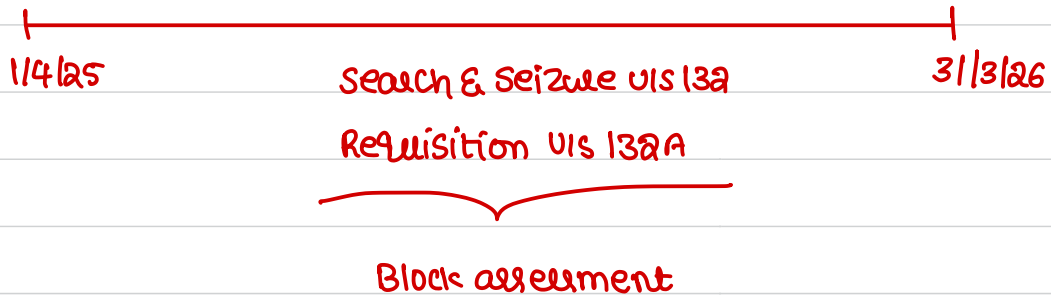
13) sec 147: Income escapement Assessment / Reassessment / Reopening of cases

Search & seizure vis 132

Requisition vis 132A



PY 25-26



Analysis

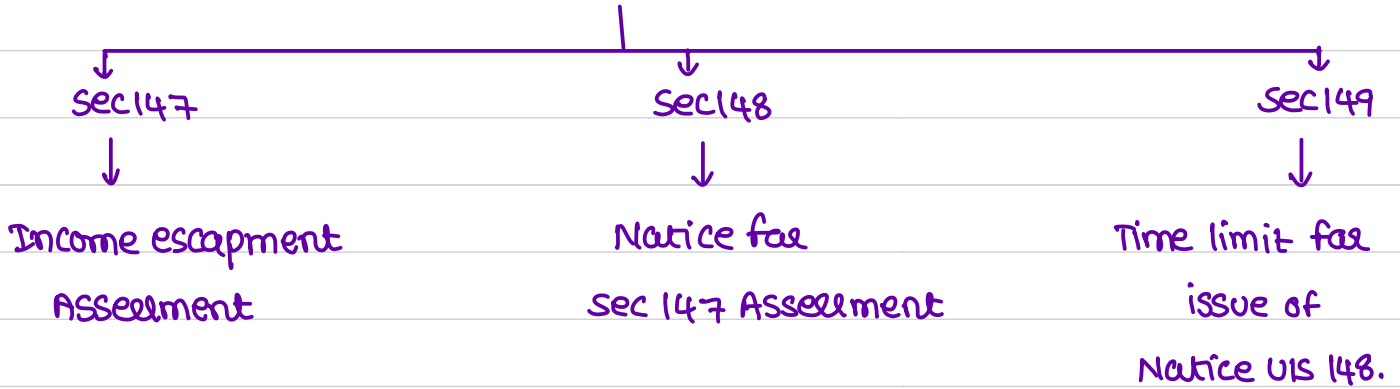
Income escapement assessment vis 147



[search & Requisition cases also covered] [search & Requisition cases not covered]

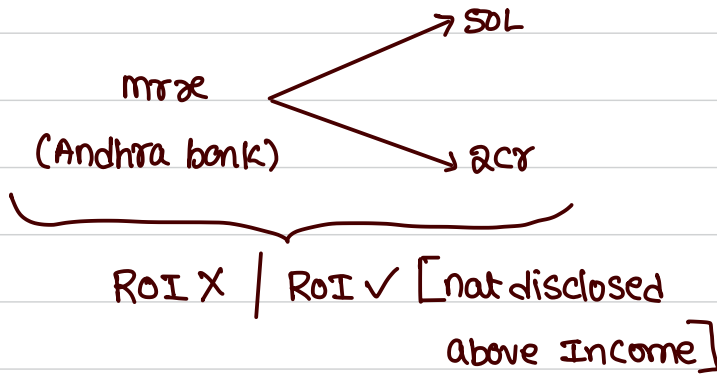
Income escapement assessment / Reassessment / Reopening of cases

[on/after 1/9/2024]



EX: PY 21-22  
AY 22-23

PY 25-26  
AY 26-27



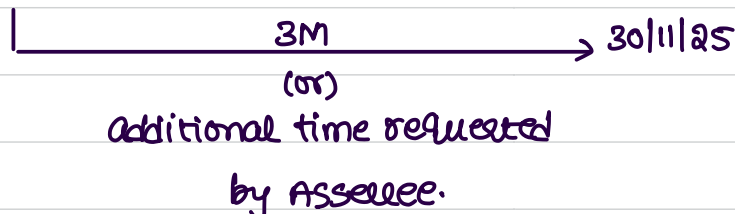
Notice u/s 148 for Assessment u/s 147.

Sec 148: Notice for Assessment u/s 147



Notice  
16/8/25

Month end  
31/8/25



However, where ROI is furnished beyond the period as allowed above, such Return would not be a Return u/s 139.

**Notice u/s 148 issued only when**

There is (a Info) with AO which suggests that Income chargeable to tax was escaped

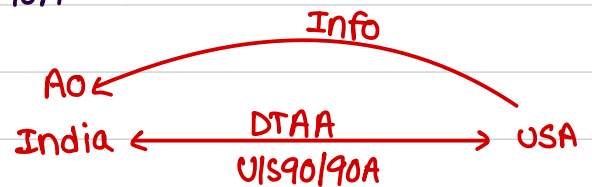
Eq

AO has to obtain (permission) from specified Authority.

Information - meaning

- 1) Any Info - with Risk management Strategy
- 2) Audit objections
- 3) Info Received - Agreement u/s 90/90A.

MMA, ROR  
↓  
In India  
Tax on global Income

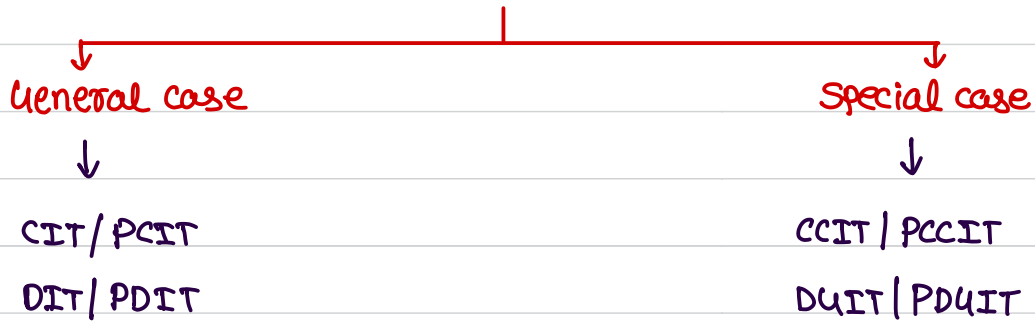


ROI  
Total Income 10cr

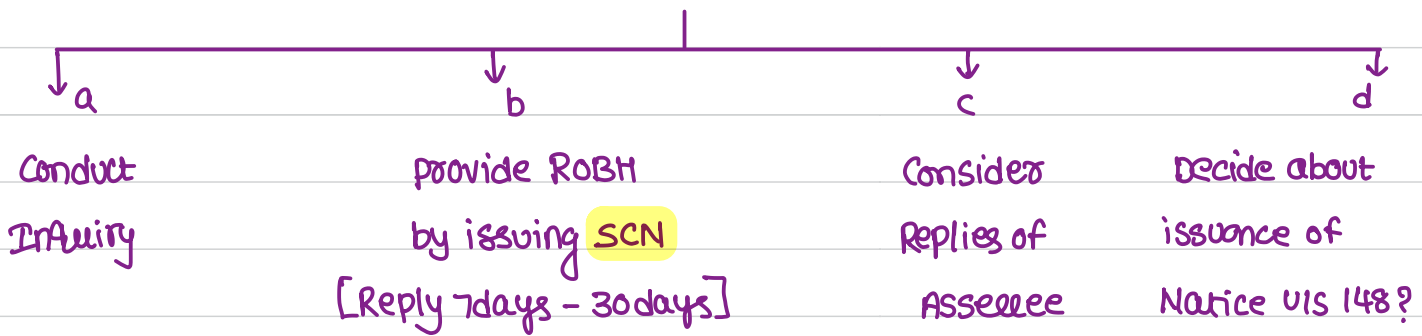
Actual Earnings  
I.I 10cr  
F.I 2cr

- 4) Info Received - under a scheme of Faceless collection of Info u/s 135A.
- 5) Info Received - from order of court / Tribunal
- 6) Survey u/s 133A (in case of Assessee) conducted.

Sec 151: permission from specified Authorities



sec 148A: Ao has to follow, these steps before issuance of sec 148 Notice



Nonapplicability of sec 148A:

Info received - under a scheme of faceless collection of Info u/s 135A.

sec 149: Time limits for issue of Notice u/s 148 & 148A

	<u>Sec 148A - SCN</u>	<u>Sec 148</u>
General case.	3 years from end of RAY in which income was escaped.	3 years & 3 months from end of RAY in which income was escaped.
Special case. [Income escaped $\geq$ 50L]	5 years from end of RAY in which income was escaped.	5 years & 3 months from end of RAY in which income was escaped.

Sec 147: Income escapement Assessment

If any Income chargeable to tax has escaped for Any AY.

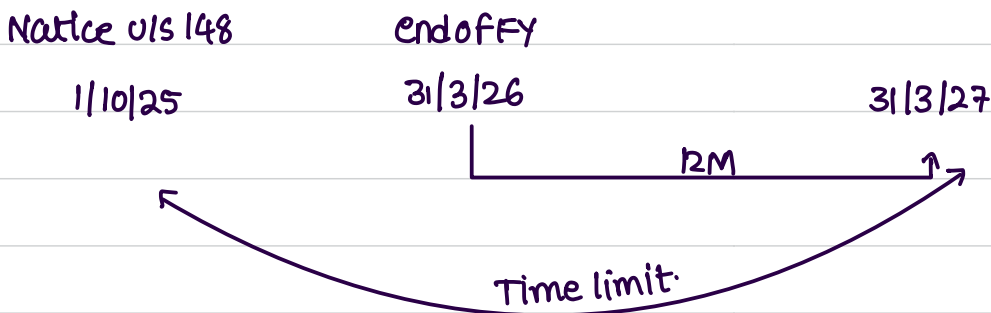


AO may assess / Reassess such income / loss of such AY.

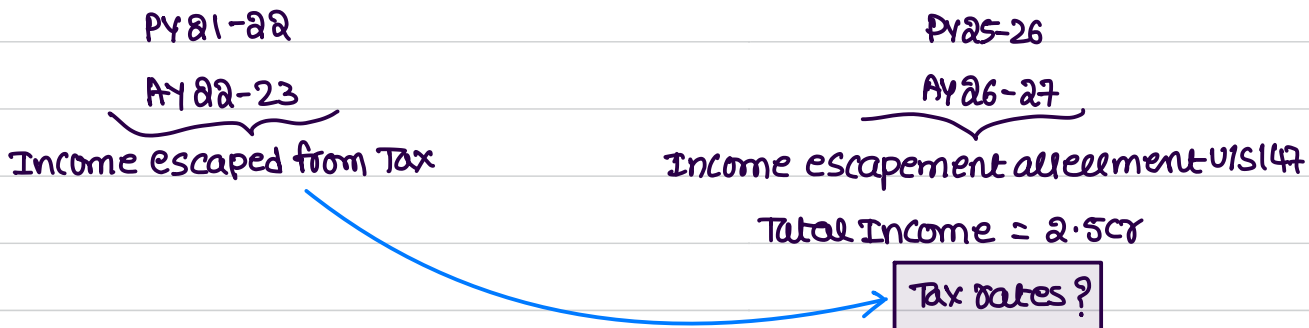
AO may also Assess any other Income that comes to Notice Subsequently during the course of proceedings u/s 147.

Time limit

With in 12 Months from end of the FY in which Notice u/s 148 was issued.



Sec 152: Rate of Taxation



Income Identified in income escapement assessment procedure would be chargeable to tax at rates applicable to the respective years in which income was escaped.

Note:

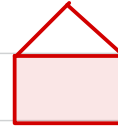
Construction

PY 21-22 20L

PY 22-23 30L

PY 23-24 30L

MRA



₹ 80L (unexplained

Investment)

In this case AO can issue Notice u/s 148 for AY 3 years even if income escapement in individual year < 50L.

Note:

Mrs B incurred expenditure for his marriage. (unexplain exp)

₹ 25L (28/3/21) → PY 20-21

₹ 35L (15/4/21) → PY 21-22

In this case AO can issue Notice for individual year income escaping is less than 50L but aggregate in relation to expenditure for event (or) occasion is more than 50L.

#### 14) sec 153: Time limits for completion of Assessments

Sec 143(3)/144



12 months from end of RAY

Sec 147



With 12 months from end of FY in which Notice u/s 148 was issued.

In following cases, while computing time limits → Following shall be excluded

<u>Case</u>	<u>From</u>	<u>To</u>
1. Direction for special Audit u/s 142(2A) to (2D)	Date on which AO direction	last day on which Assessee submits report.

- |  |                              |  |
|--|------------------------------|--|
| 2. Direction for Inventory valuation u/s 142(2A) to (2D)                           | Date on which Ao direction   | last day on which Assessee submits reports.  |
| 3. Contravention by Institutions u/s 10 & Ao informs to govt / higher Authorities. | Date on which Ao informs     | Date on which govt / higher Authority issue Notification for withdrawing approval. |
| 4. Reference to valuation officer u/s 142A   | Date on which Ao Refers      | Date on which Report Received by Ao.   |
| 5. If assessment procedure stayed on court   | Period of stay               | Period of stay   |
| 6. Where Reference made by Ao for Exchange of Info u/s 90/90A [DTAA]               | Date on which Reference made | Date on which Info Received  |
- MFA (RoR) In India - global Income Taxable

I.I  
10%  
ROI = 10% (Assessment)  
(Declared only I.I)

FI (USA)  
2%  
DTAA

Indian govt ← DTAA → USA govt

Reference (top arrow)  
Info (bottom arrow)
- |  |                                |                                      |
|--|--------------------------------|--------------------------------------|
| 7. Application made to BAR (Board of Advance Ruling) | Date on which application made | Date on which Ruling order Received. |
|--|--------------------------------|--------------------------------------|

15) sec 156: Demand Notice

If any tax, Interest, penalty, any other sum payable / due by Assessee



sec 220(C) : Reply - within 30 days of service of Notice  
(or)

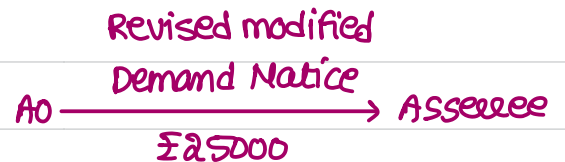
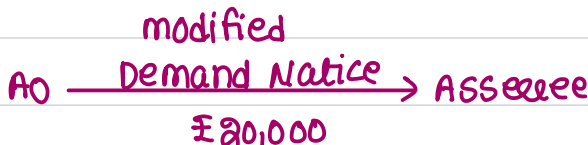
Reduce time limit + prior approval of JC

sec 220(B) : @ 1% pm / part of month of delay.  
Interest

16. sec 156A: Modification / Revision of Demand Notice in certain cases

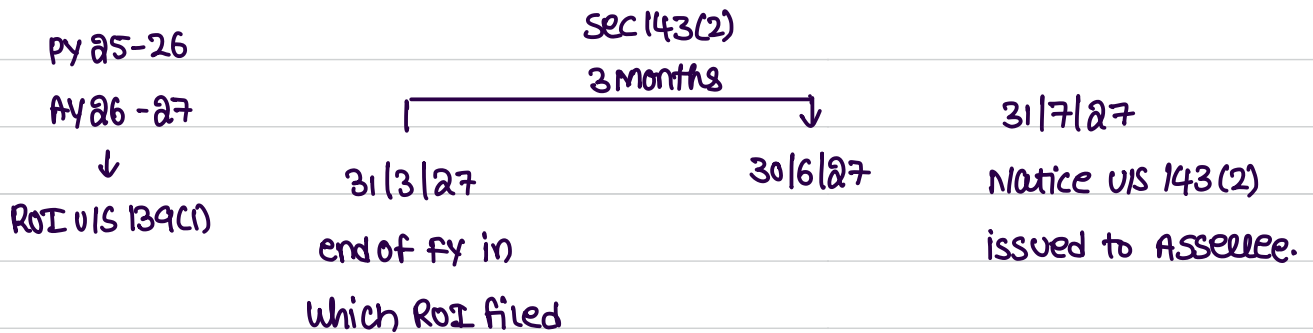
Demand Reduced as a Result of AA (Adjudicating Authority) order as defined in IBC, 2016

order of AA modified by NCLT/SC modified Demand Notice shall be revised



## 17. SEC 89(2)(BB): Notice of Ao Deemed to be valid in certain

Cases



→ If Assessee appeared in any proceeding  
 (or)  
 cooperated in inquiry } deemed that Notice has  
 been duly served on him

→ Notice was served  
 ✓ after time limit  
 ✓ improper manner } he cannot raise objection  
 after completion of Assessment.

→ Non issuance of Notice by department is not a curable defect VIS 89(2)(BB).

## summary of Time limits

<u>Situation</u>	<u>Time limit</u>
1. special Audit / Inventory valuation UIS 142(2A) to (2D)	→ within time Allowed by AO  → <u>Extension</u> : within 180 days from date of direction (original + Extension)
2. Valuation Report UIS 142A	→ Within 6 months from end of month in which Reference was made.
3. processing of Return / Intimation / Summary Assessment UIS 143(1)	→ within 9 months from end of FY in which ROI was filed.
4. Notice for scrutiny Assessment UIS 143(2)	→ within 3 months from end of FY in which ROI was filed.
5. scrutiny Assessment / Regular Assessment UIS 143(3)	→ within 12 months from end of RAY
6. Best Judgement Assessment UIS 144	→ within 12 months from end of RAY.
7. order of DRP UIS 144c	→ within 9 months from end of the month in which AO order was Received by Assessee.

8. Notice u/s 148 should be issued with time limits u/s 149 (on/after 1/9/24)



General case : 3 years from end of RAY  
in which income was escaped

3 years & 3M from end of RAY  
in which income was escaped

special case : 5 years from end of RAY  
(≥ 50L) in which income was escaped

5 years & 3M from end of RAY  
in which income was escaped

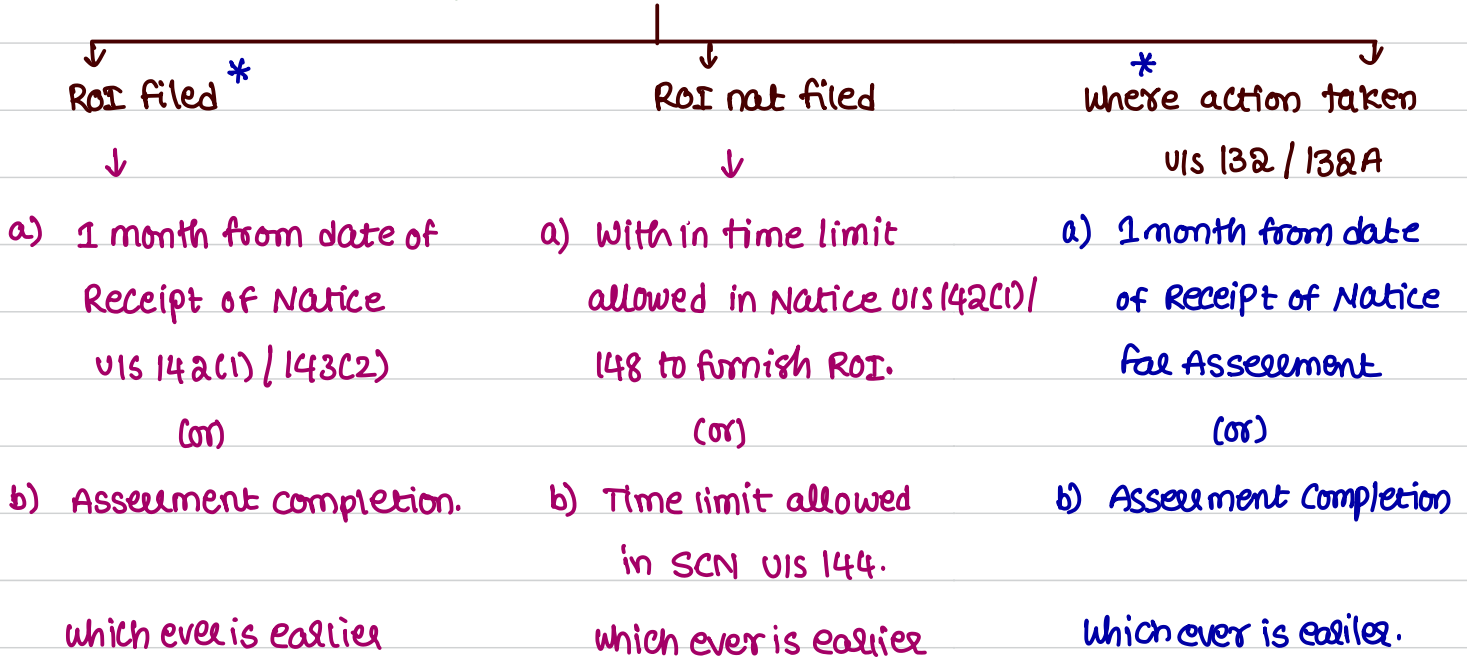
9. Income escapement Assessment /  
Reassessment / Reopening of cases u/s 147

→ Within 12 months from end of FY  
in which sec 148 was received.

\* Sec 124: Jurisdiction of AO

Income Tax Authorities

Assessee can challenge the Jurisdiction of AO with in the following time limits:

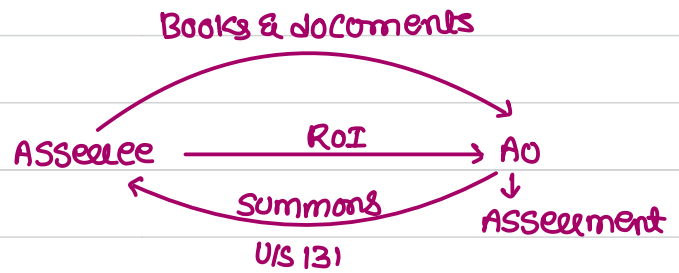
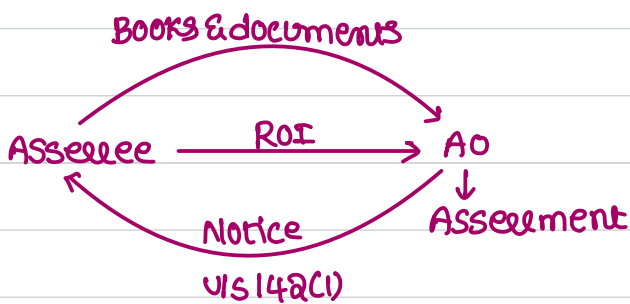


# Search & seizure and survey

↓  
Info seeking

1. Sec 131: Power of IT Authorities Regarding discovery, production of Evidence etc.
2. Sec 132: Search & seizure
3. Sec 132A: Requisition
4. Sec 132B: Application of seized Assets
5. Sec 133: Power to call Information
6. Sec 133A: Power of survey
7. Sec 133B: Power to collect Information
8. Sec 133C: Power to call Information by prescribed IT Authorities.
9. Sec 134: Power to inspect statutory Records of company
10. Sec 135: Power of certain Authorities
11. Sec 135A: Faceless collection of Information
12. Sec 136: Proceedings before Income Tax Authorities to be treated as Judicial proceedings.
13. Sec 138: Disclosure of Information w.r.t Assessee.

# 1. Sec 131: Power of IT Authority Regarding discovery, Production of Evidence



IT Authority shall have an powers of "Civil Court" under Code of civil procedure, 1908.

- |   |  |                        |  |  |
|---|--|------------------------|--|--|
| a ↓   | b ↓  | c ↓                    | d ↓  | e ↓  |
| <b>Discovery &amp; Inspection of Evidence</b> | Enforcing the attendance of a person & Examining such person on oath | <b>Issuing summons</b> | Compelling the production of Books & documents | <b>Impound Books &amp; documents for max 15 Working days</b> |

# 2. Sec 132: Search & Seizure

a) If IT Authority has Reason to believe that

✓ Any person to whom Notice u/s 142(1)/131 was issued - to produce Books & other document } failed to do so.

✓ Any person to whom Notice u/s 142(1)/131 was issued - to produce Books & other document } will fail to do so.

- ✓ Any person in his possession of money, bullion, Jewellery (or) any other valuable Articles. } wholly / partly undisclosed.

Note: The Reason to believe, as recorded by IT Authority, shall not be disclosed to any person / Any Authority / ITAT.

b)

→ CIT & DIT and higher Authorities

→ Addl CIT / JCIT } if authorised  
→ Addl DIT / JDIT } by CBOT

→ Authorised officer (AO)

c) Powers of Authorised officer:

→ Enter Any Buildings, Place, vessel, Aircraft, vehicle where he suspects that books & money are kept.

→ break locks (if keys are not available).

→ Search any person in that premises.

→ Required to get passwords, if books are maintained in Electronic form.

→ Place Identification marks & make inquiry.

→ Seize Any Asset i.e books, documents, Money, bullion, Jewellery and other valuable Article [EXCEPT SIT].

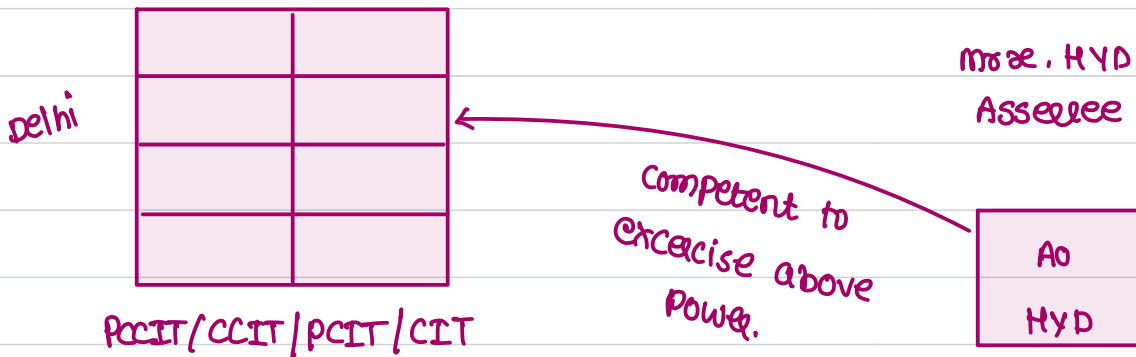
d) Extension of Jurisdictional Area :

New Delhi

Any Building, place, vessel, Aircraft, vehicle with in Jurisdiction of PCCIT/CCIT/PCIT/CIT but Such Authority has no Jurisdiction over Such person. (MCA, HYD)

and

such Authority has Reason to believe that Any dealy in getting Authorisation from PCCIT/CCIT/PCIT/CIT would be prejudicial to the Interest of Revenue.



e) Extension of Authorisation:

where search for Any document, books, money, Buillion, Jewellery or Any other valuable Article is Authorised.

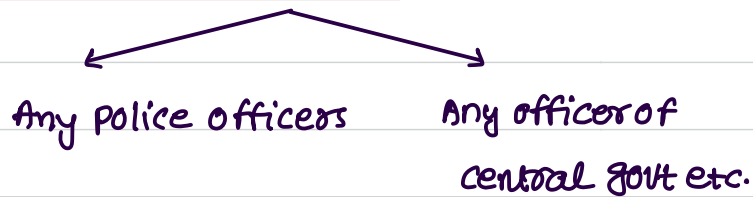
MCA, HYD

and

Place of B/P

PCCIT/CCIT/PCIT/CIT has "Reason to suspect" the books, Documents, money, Buillion, Jewellery or any other valuable Article are kept in any other building, place, vessel, Aircraft, vehicles, which is not in authorisation → place of Residence

PCCIT/CCIT/PCIT/CIT can Authorise, Ao to search other building, place, vessel, Aircraft, vehicles.

f) Assistance to Authorised officerg) deemed / constructive seizure:

Condition: If AO unable to take physical possession due to

- Volume
- weight
- dangerous nature

Procedure: AO may serve an order to such owner, that he shall not deal with such Assets without approval.

(\*) not applicable for SIT.

Note: prohibitory order / order of Restraint

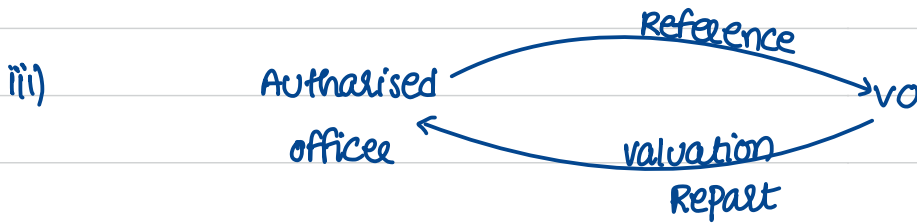
→ order can be passed for Reason other than mentioned above.

→ such order shall not in force after 60 days from date of order.

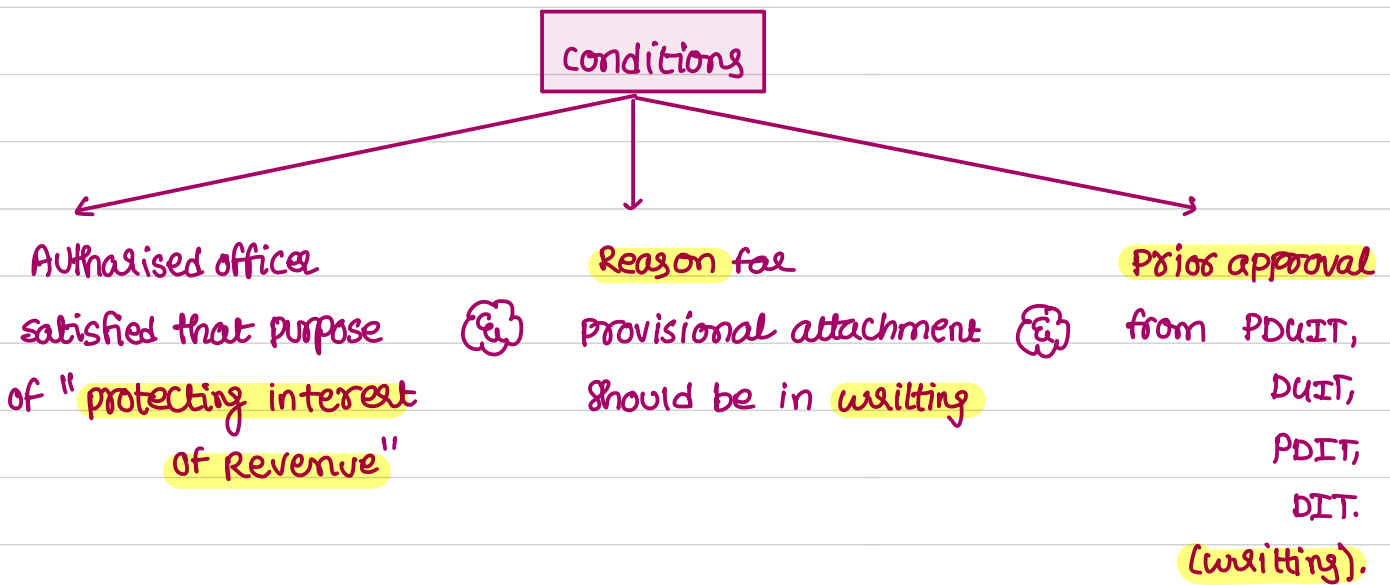
h) provisional attachment:

i) during search / within a period of 60 days of last Authorisation for search executed, Authorised officer may attach provisionally any property belonging to Assessee.

ii) provisional attachment is valid upto 6 months from date of order.



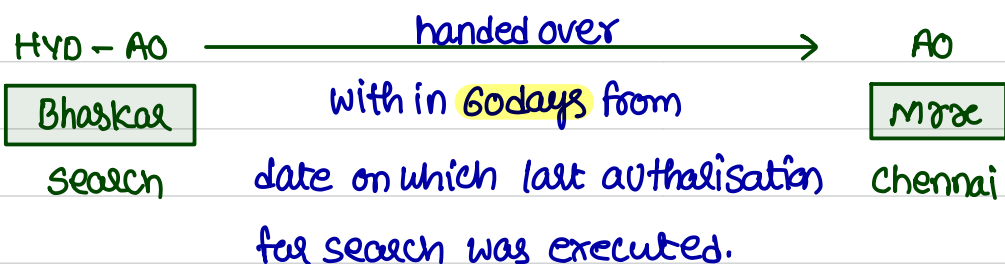
Report of VO shall be submitted in 60 days from date of such Reference.



I) presumptions under search:

If books, documents, money, bullion, Jewellery, Any other valuable articles etc found during search in possession of any person, it is presumed

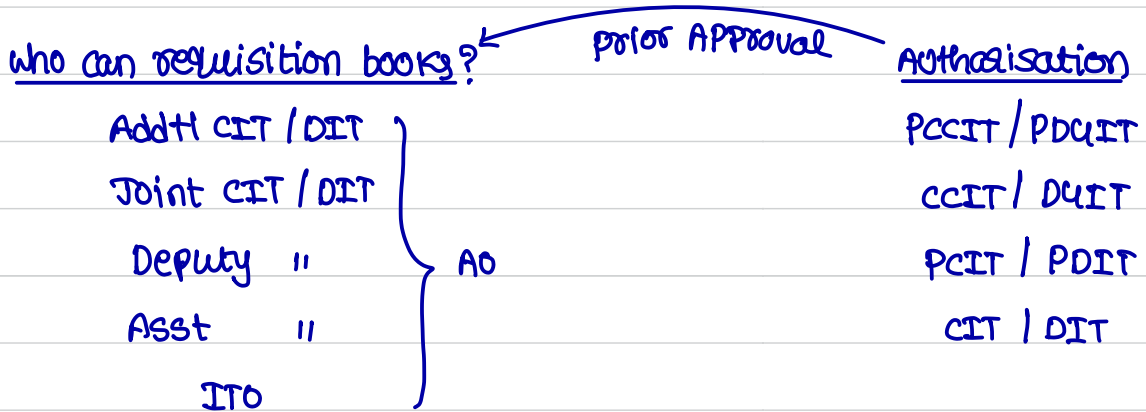
- ✓ That belongs to Assessee.
- ✓ Contents of Books of A/c & documents are true.
- ✓ Signature & other part of books of A/c's in that person's handwriting only.



### 3. Sec 132A: Requisition

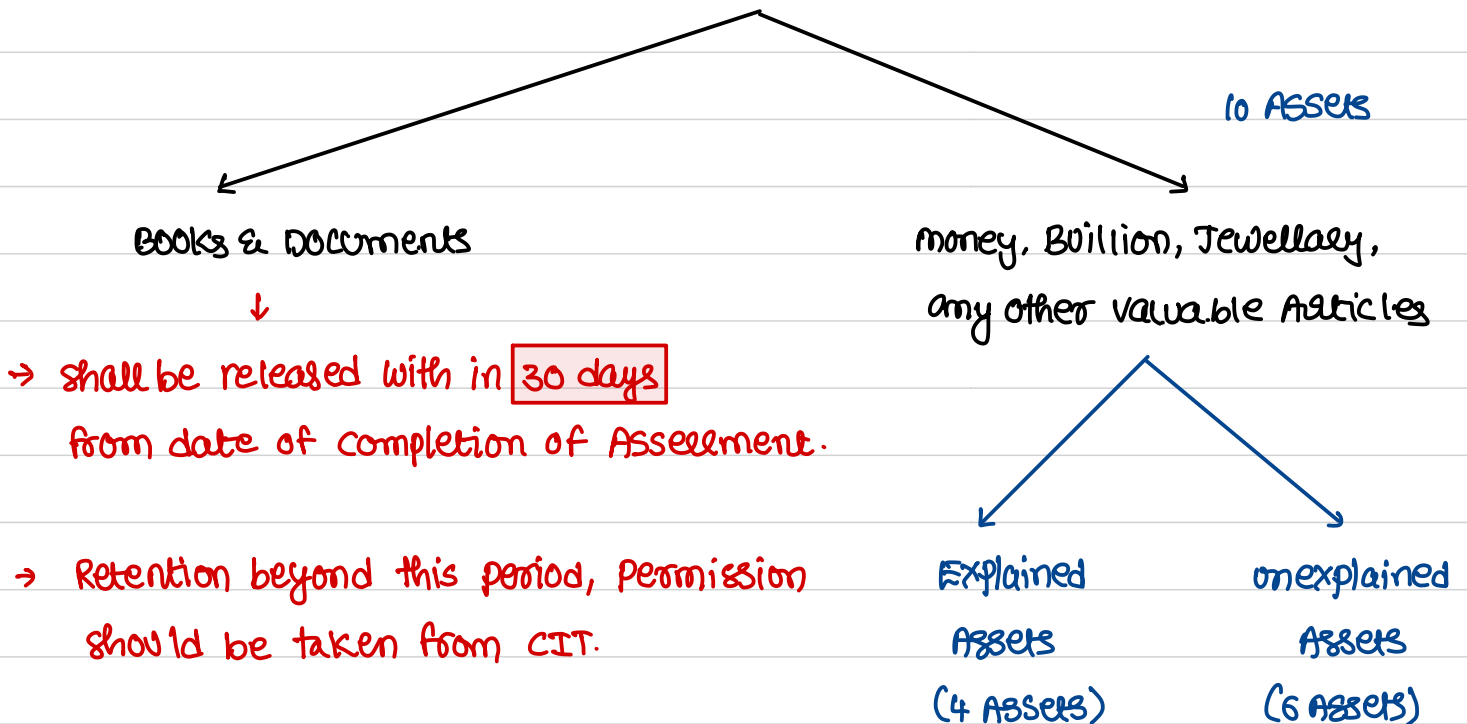
where <sup>AO</sup> IT Authority have an Info in his possession has Reason to believe that:

Any person to whom Notice u/s 142C/131 was issued to Books & documents → has failed to produce such books & doc.



on requisition, Any books & documents taken into custody of Requisition officer (AO) shall be treated as deemed seizure u/s 132.

### 4. Sec 132B: Application of Seized Assets (Books & Assets)

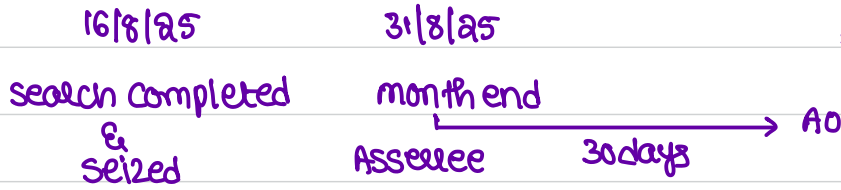


Explained Assets

Unexplained Assets

⇒ Application made by Assessee within 30 days from end of month in which such Asset was seized.

⇒ can be utilized for Recovering existing tax liability & New tax liability under Assessment.



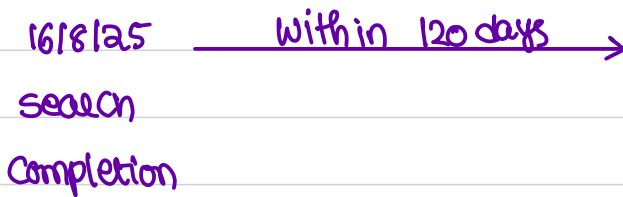
⇒ First should utilize money.

explain Nature & source

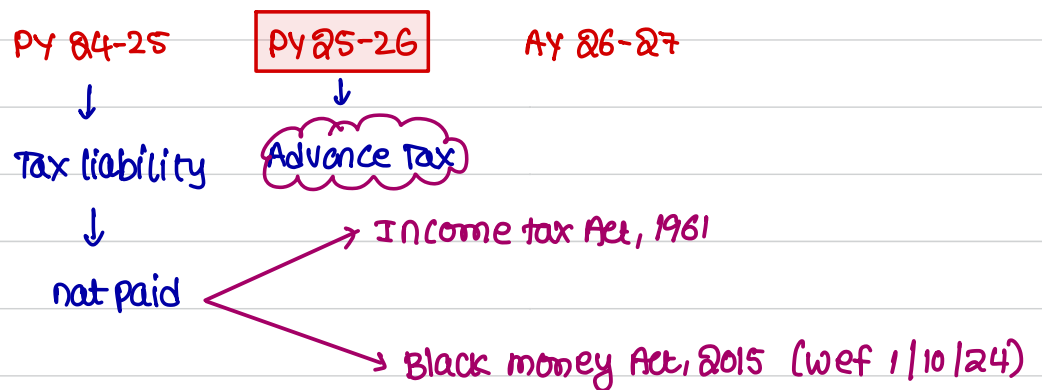
⇒ If it is short fall, then sell some Assets & discharge Tax liabilities.

⇒ Explained Assets should be released after adjusting "Existing tax liability" within 120 days from date of completion of search.

⇒ If some Assets are remaining we can handed over to Assessee.



Note:



Existing tax liability does not include advance Tax payable.



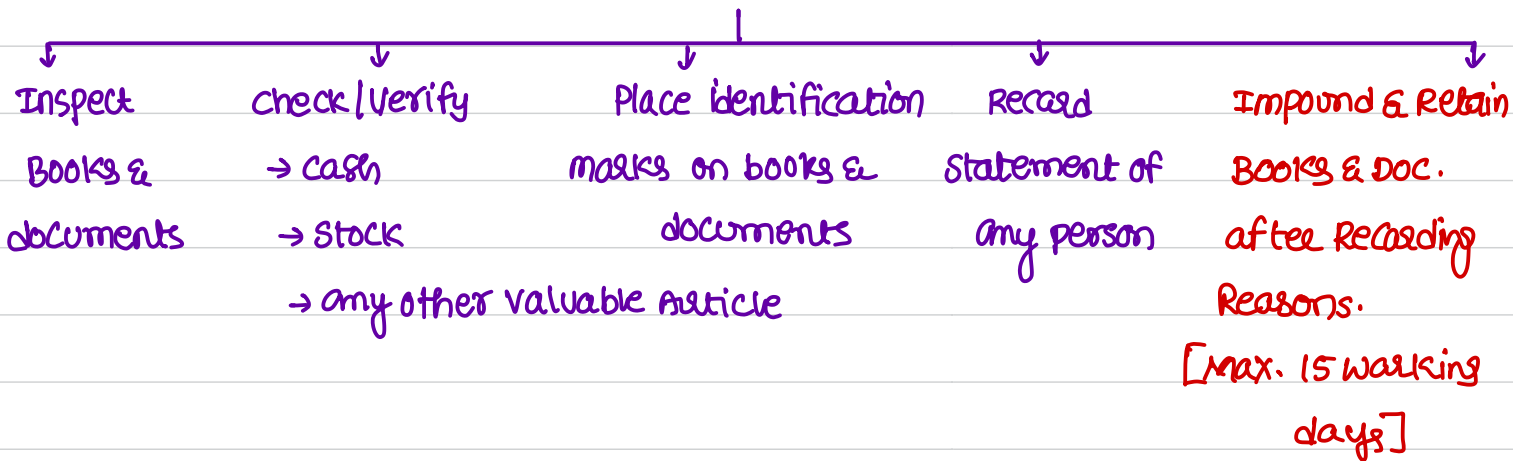
6. SEC 133A: Power of Survey → Info seeking

a) PCCIT / PDUIT  
CCIT / DUIT



at Business / profession (or) If Books of A/c's  
carried out are kept at  
any other place.

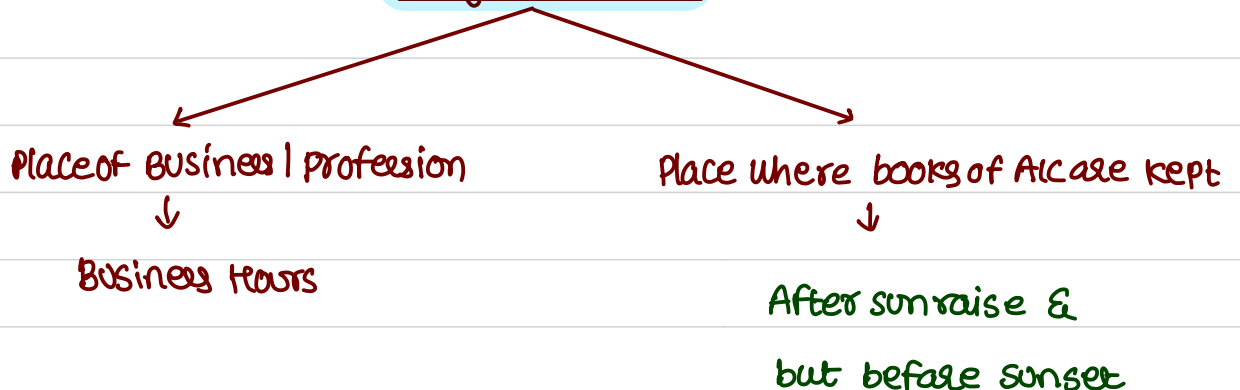
b) Powers of IT Authorities while Conducting Survey



Place of B/P can not be sealed / suspended } while conducting survey

c)

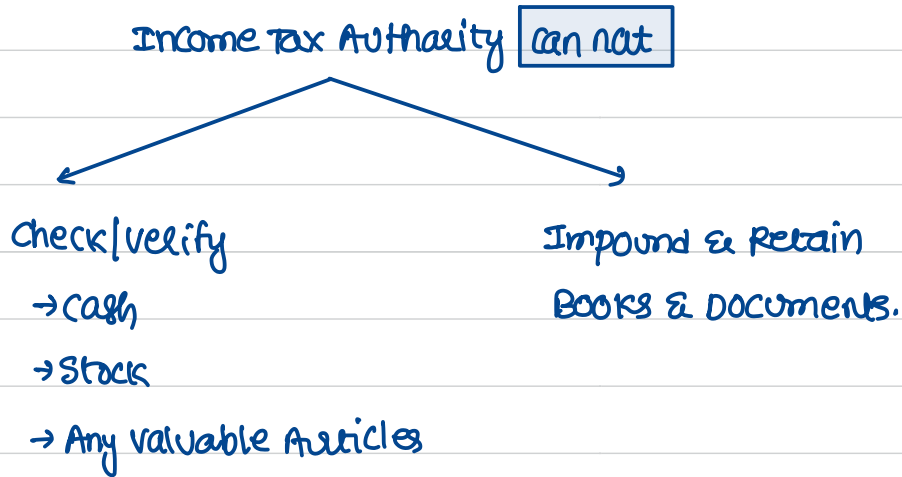
Entry Restriction



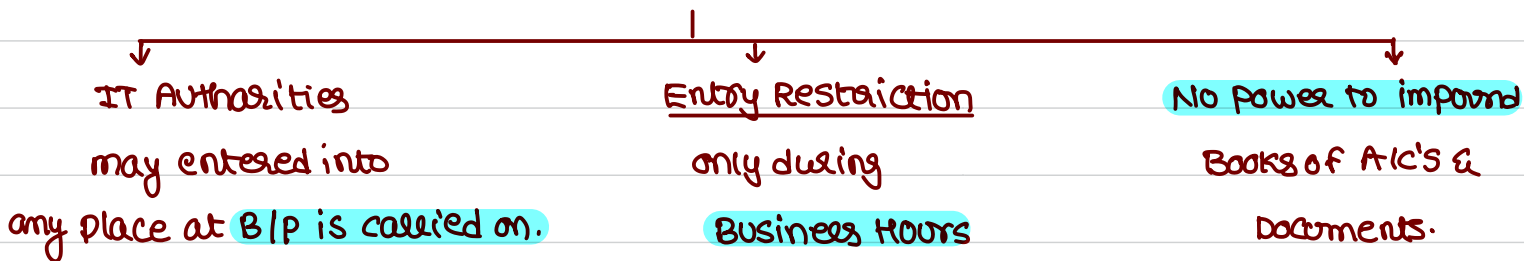
d) IT Authority can also survey Any function, ceremony (or) Event but after conclusion of such function, ceremony (or) Event.

e) TDS / TCS survey :

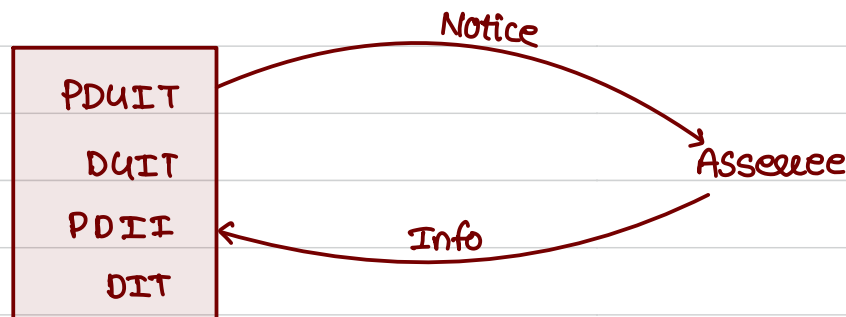
for verifying TDS / TCS has been deducted / collected as per Act.



7. Sec 133B: Power to collect information [Door to Door survey]



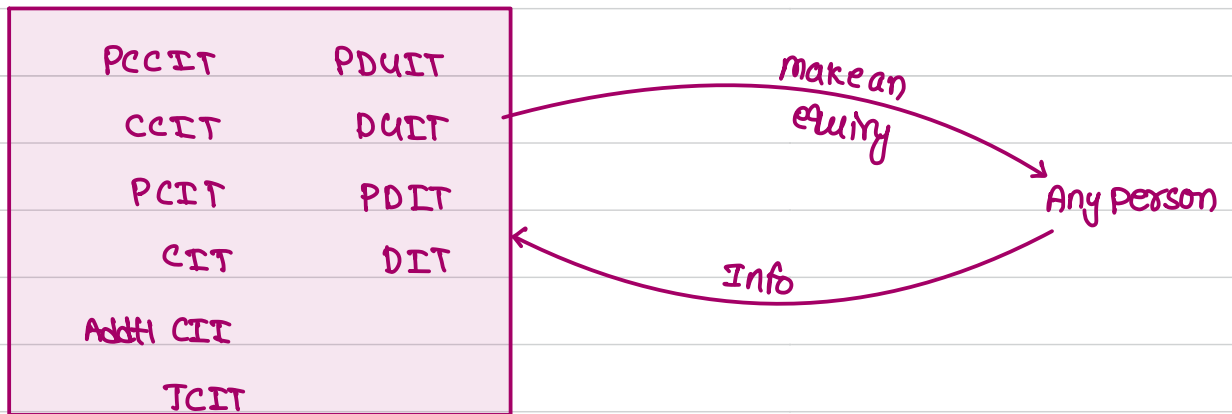
8. Sec 133C: Power to call Information by prescribed IT Authorities



9. sec 134: Power to inspect Statutory Records

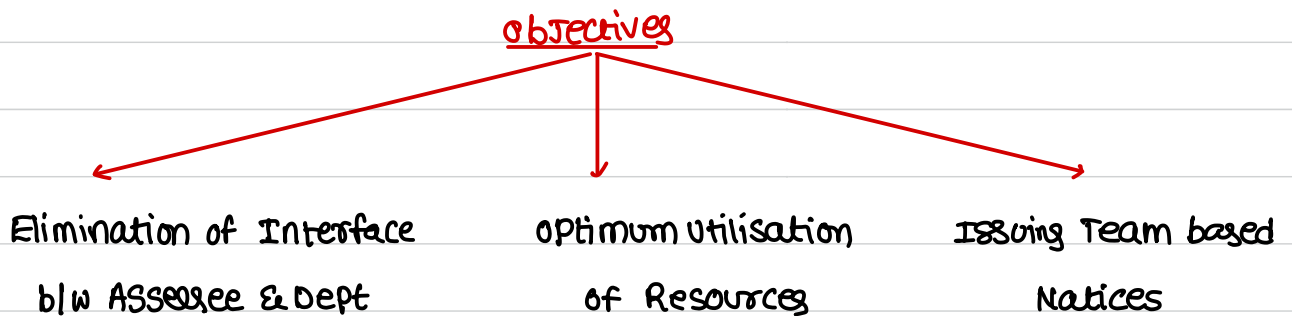
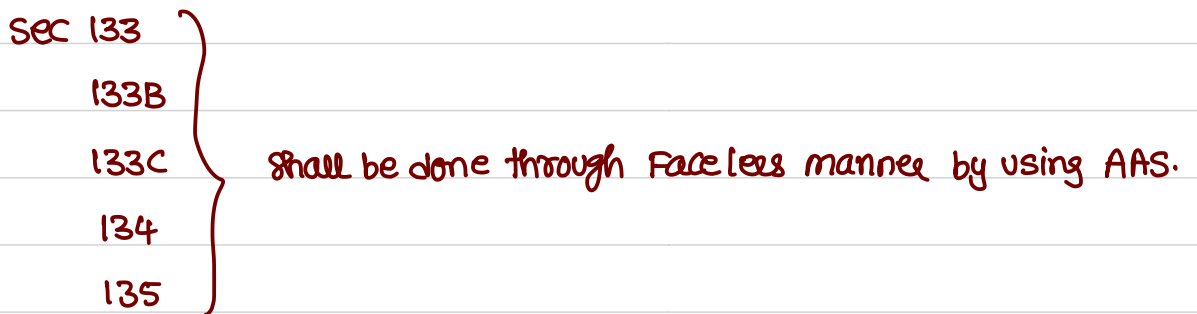


10. sec 135: power of certain Authorities



11. sec 135A: Face less collection of Information

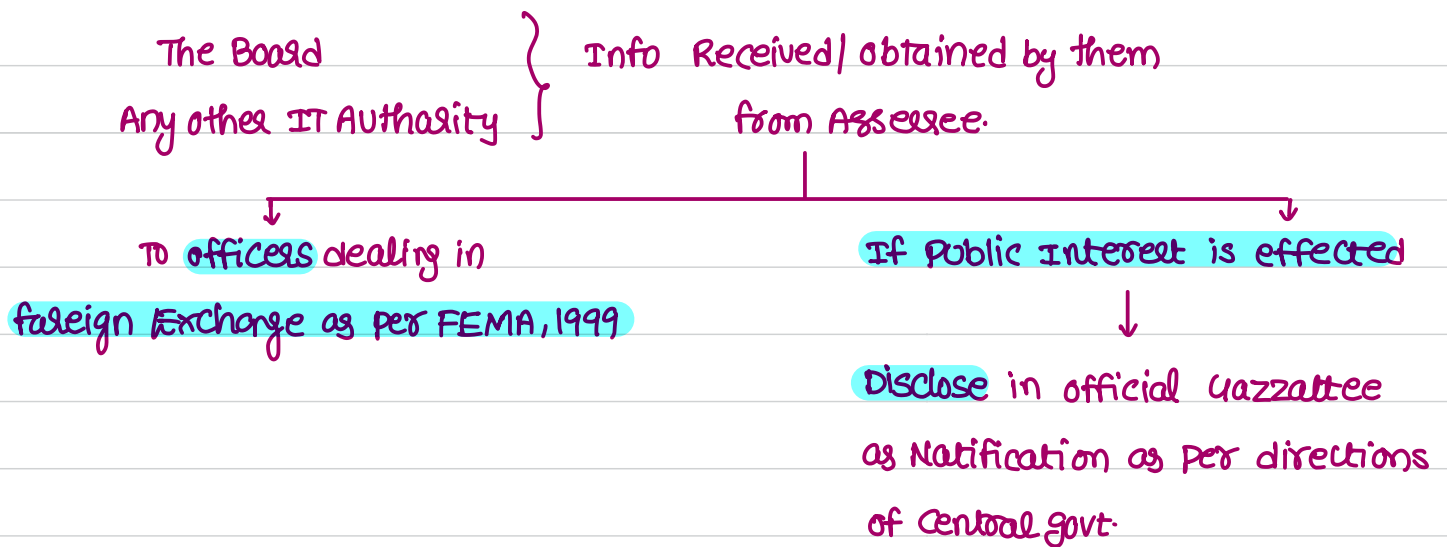
Central govt → scheme



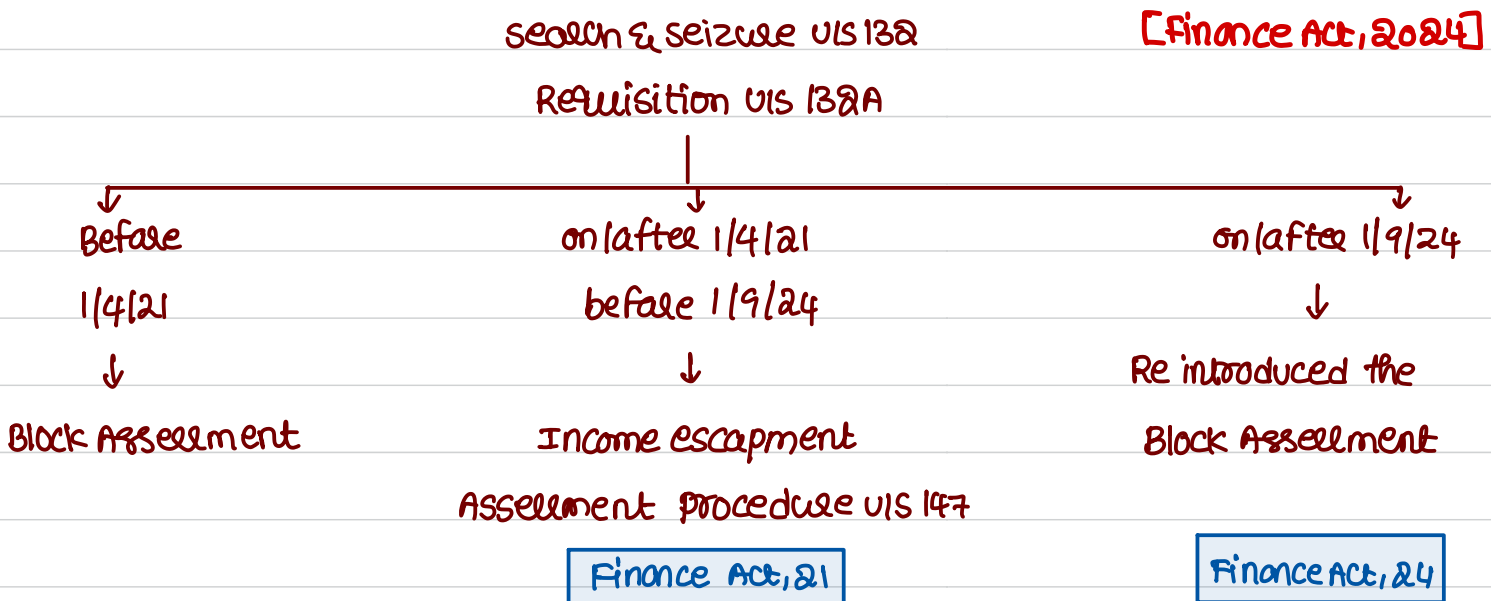
12) Sec 136: proceedings before Income Tax Authorities to be treated as Judicial proceedings

Any proceeding before IT Authority shall be deemed to treat as Judicial proceedings with in the meaning of Respective Act.

13) sec 138: disclosure of Information w.r.t Assessee



14) sec 158 B to 158 BI: Block Assessment / Assessment in case of search



a) SEC 153B: definitionsBlock period

Search initiated 30/9/24

PY 24-25

Search concluded 5/10/24

PY 25-26

Block period:

$$\left. \begin{array}{l} \text{PY 23-24} \\ \text{PY 20-21} \end{array} \right\} \begin{array}{l} \text{PY 22-23} \\ \text{PY 19-20} \end{array} \left. \begin{array}{l} \text{PY 21-22} \\ \text{PY 18-19} \end{array} \right\} + \left. \begin{array}{l} 11/4/24 \\ \text{To} \\ 5/10/24 \end{array} \right\}$$

The period related to the previous six previous years preceeding to the year in which search u/s 132 / Requisition u/s 132A was conducted

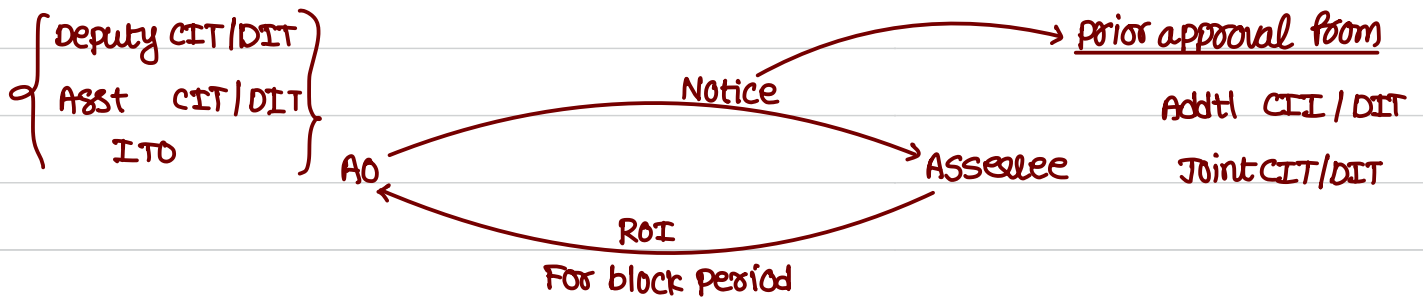
(and)

Period starting from 1<sup>st</sup> day of PY to search / Requisition completed date.

undisclosed income

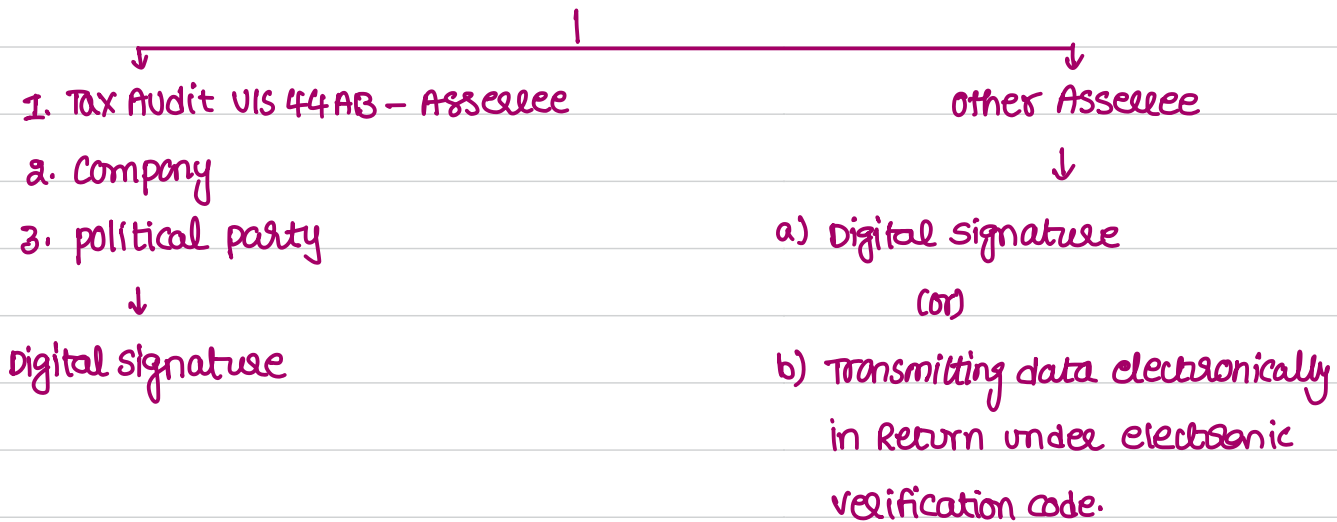
- a) Any money, bullion, Jewellery (or) any other valuable Articles } has not been / would not have been disclosed (whole / part)
- b) Any Income arising from Any money, bullion, Jewellery (or) Any other valuable Articles } has not been / would not have been disclosed (whole / part)
- c) Any Expenditure arising from Any money bullion, Jewellery (or) any other valuable Articles } has not been / would not have been disclosed (whole / part)
- d) Any Expenses, Exemption, deduction / Allowance claimed previously and which are found to Incorrect.

b) sec 158 BC: procedure for Block Assessment



With in specified time, not exceeding 60 days  
beyond this period, if ROI filed → Invalid

Verification of Return of Income u/s 158 BC [ITR-B]



\* Assessee shall disclose Total Income (Including) undisclosed Income in ROI

\* On this return, processing u/s 143(c) is not applicable.

\* Directly we need to start scrutiny Assessment u/s 143(3) by Issuing Notice u/s 143(2a).

\* once return filed u/s 158BC, it cannot be Revised.

### c) Sec 158 BB: Computation of Total Income of block period

AO shall Assess the total Income of Assessee including undisclosed Income during block period.

#### Computation of total Income of block period:

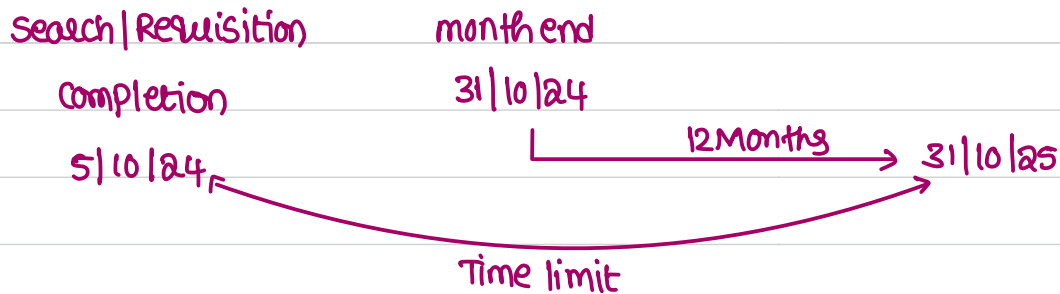
<u>particulars</u>		<u>Amount</u>
a) Total Income disclosed in the ROI vis 158 BC	70L	XXXX
b) Total Income Assessed vis 143 (3)/144/147/153) 153 c (prior to the date initiation of search (or) Requisition)	120L	XXXX
c) Total Income declared in ROI vis 139 (1) (or) in respose to sec 142 (1) (not covered in a/b above)	60L	XXX
d) Total Income determined where Py not ended (ie 1/4/PY to last date of search/Requisition) on the basis of Books	15L	XXX
e) undisclosed Income determined by AO	30L	XXX
Total	295L	XXXX
<u>Less</u> Incomes in <span style="border: 1px solid black; padding: 2px;">b + c + d</span>	(195L)	XXX
Total Income of block period →	100L	XXX

Total Income related to block period shall be charged to tax @ 60% (as increased by surcharge + H&EC @ 4%)

Note: Any B/F losses (or) unabsorbed depreciation (for PY before Block period) not allowed to set off against undisclosed Income.

d) sec 158 BE: Time limit for completion of block Assessment

Assessment order vis 158 BE shall be passed within 12 months from end of month in which search / Requisition completed.



e) sec 158BA: Assessment of total Income as a result of search

1. If search **Initiated**

on/after

1/9/24



Block Assessment

If search **initiated** before 1/9/24

but concluded after 1/9/24

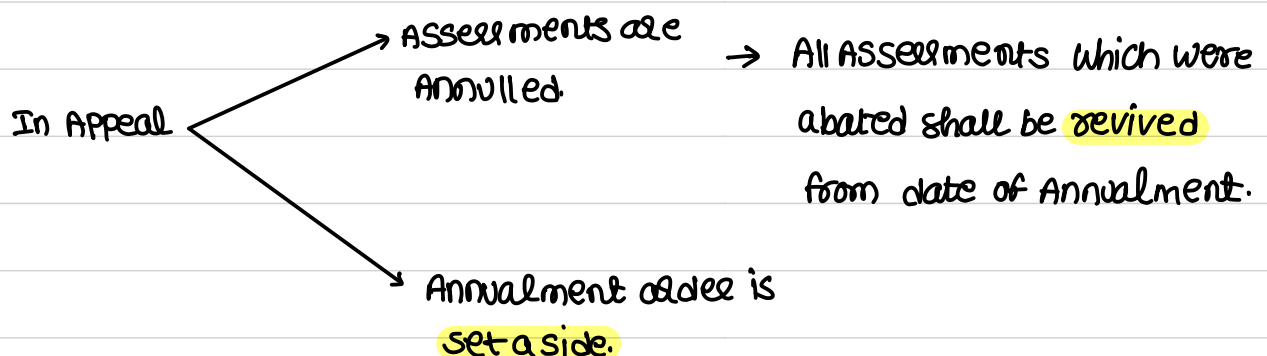


Income escapement assessment

vis 147.

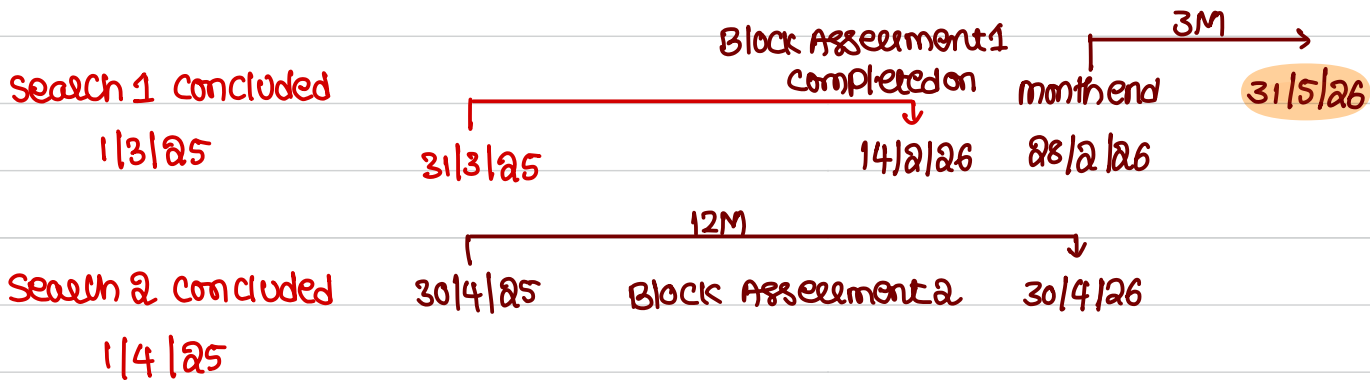
2. pending Assessments / Reassessments Related to block period shall be **abated**.

3. Annualment / Revival of Assessments



4. If subsequent search / Requisition happened during the pending block Assessment, The earlier block Assessment must be completed first.

If time limit for completing subsequent block Assessment is less than 3 months, such period shall be extended to 3 months from end of month in which earlier block Assessment was completed.



5.

block period of 6 PY's  
undisclosed Income  
↓  
shall be Assessable as per  
Block Assessment

Search / Requisition  
made in PY  
Total Income other than  
undisclosed Income  
↓  
shall be assessable as per  
Normal provisions of Act.

f) sec 158BD: undisclosed income of other person

As satisfy that any undisclosed Income belongs to any other person, these all things handed over to jurisdictional Ao of other person.

Ao shall proceed u/s 158BC against that other person & provisions of block Assessments will apply.

Assets



Block Assessment

Block Assessment

Search Concluded monthend  
on 5/10/24 31/10/24

sec 158BC Notice monthend  
12/11/24 30/11/24

12M  $\rightarrow$  31/10/25

12M  $\rightarrow$  30/11/25

Time limit for completion of assessment in the hands of other person

An order shall be passed within 12 months from end of month in which Notice u/s 158BC was issued (by using sec 158BD) to other person.

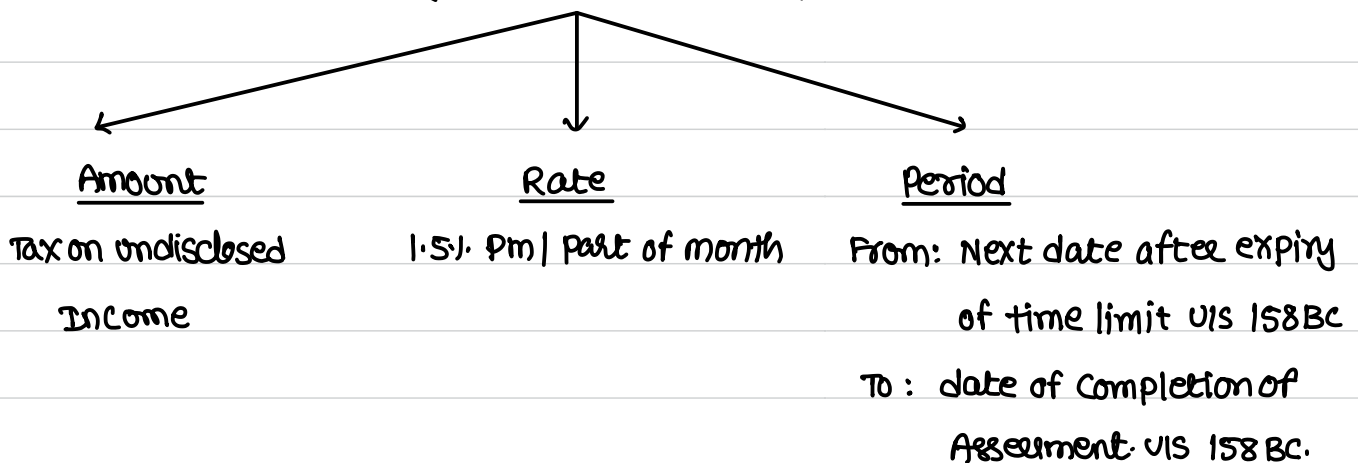
g) Sec 158BF: certain interest & penalties are not levied / imposed

Interest u/s sec 234A | B | C  $\rightarrow$  Not levied  
Penalties u/s 270A  $\rightarrow$  Not levied.

h) Sec 158BFA: levy of Interest & Penalty in certain cases

1) Interest for delay in filing of ROI u/s 158BC

(Amount  $\times$  %  $\times$  period)



## a) Penalty for undisclosed Income

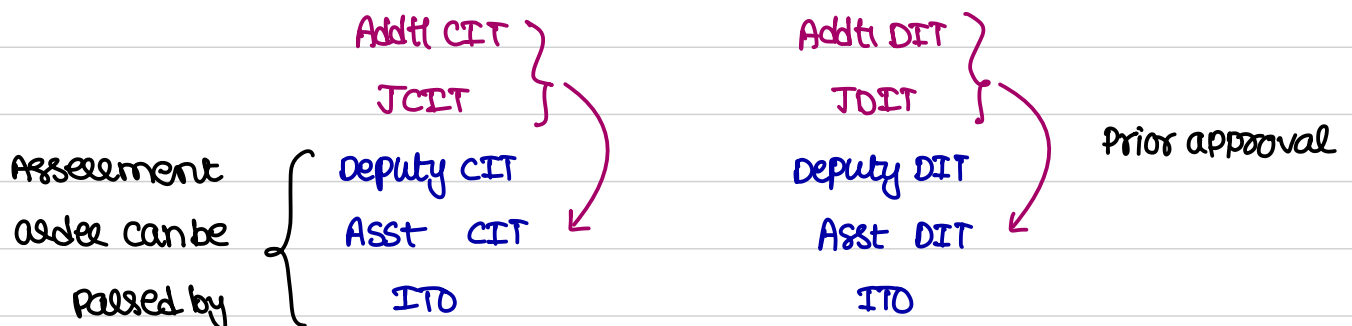
SDI of Tax on undisclosed Income determined by Ao.

Immunity of penalty vis 271AD(1) / vis 271D / vis 271DA / vis 271E will be granted to assessee, if following conditions are satisfied.

- ✓ filed ROI vis 158BC
- ✓ paid tax due based on ROI vis 158BC, if money was seized, offered to adjust against tax due.
- ✓ provided proof of payment of tax.
- ✓ Assessee not appealed against Assessment order.

However, No immunity for Assessee, if undisclosed Income determined by Ao is higher than Income reported in the Return. In this case penalty will apply for such excess undisclosed Income.

## I) Sec 158B4: Authority to competent to make assessment of block period



Assessment order w.r.t Block period shall be passed Ao (not below the rank of deputy CIT / Asst CIT / Deputy DIT / Asst DIT / ITO) as the case may be.

sec 158 B to sec 158BI: Block Assessment

- 1) ✓ sec 158 B: definitions
- 2) sec 158 BA: Assessment of total Income as a Result of Search
- 3) ✓ sec 158 BB: Computation of total Income of block period
- 4) ✓ sec 158 BC: procedure for Block Assessment
- 5) ✓ sec 158 BD: undisclosed Income of other person
- 6) ✓ sec 158 BE: Time limit for completion of block Assessment
- 7) sec 158 BF: certain Int / penalties not imposed
- 8) sec 158 BFA: levy of Int / Penalty
- 9) sec 158 B4: Authority competent to make Assessment of block period.

Amendments - Finance Act, 2025

- 1) sec 158 B: definition of undisclosed Income  
↓  
added virtual digital Assets.

## 2) Sec 158BB: Computation of total Income of block period

Sec 158BB given methodology for computing total undisclosed Income of block period.

The aggregation of following shall be total undisclosed Income of block period:

<u>Particulars</u>	<u>Amount</u>
1. Undisclosed Income declared in ROI vis 158BC by Assessee	X X X
2. Undisclosed Income determined by Ao	<u>X X X</u>
	<u>X X X</u>

### Negative list:

- Total Income determined vis 143(1) / 143(3) / 144 / 147 / 153C in respect of any of PY related to block period.
- Total Income declared in ROI vis 139 (or) ROI filed in response to sec 142C1) of any PY related to block period.
- Income computed by Assessee in respect of PY, where such PY has ended & due date for furnishing ROI of PY has not expired.
- Income computed by Assessee on the basis of Books of Accounts related to 1/4/PY (to) date immediately preceding to search/ Requisition initiated
- Income computed by Assessee on the basis of Books of Accounts related to date of search/ Requisition initiated (to) date of Search/ Requisition concluded.

6. Total Income referred in section 194P.

7. Total Income referred in Section 115A

8. Total Income referred in section 115C.

Example: on Dec 8, 2025, IT dept conducts search u/s 132 at the office/ residence of Mr. X, Resident Individual (last authorisation of search was executed: 10<sup>th</sup> Jan, 2026). He provides details of Income admitted in ITRs for the AY's upto AY 24-25. As well as the undisclosed Income of block period admitted by him in ROI u/s 158Bc. Additionally, the total income for each AY determined by AO is given as follows.

particulars.	Assessment Status	Total Income declared by Assessee in ITR/ Assessed based on Books.	Total undisclosed Income declared by Assessee in ROI u/s 158Bc	additional undisclosed Income identified by AO.
(in Lakhs)				
<b>A: ROI filed</b>				
AY 20-21	143C3)	25	35	60
AY 21-22	147	35	50	70
AY 22-23	143C1)	36	62	100
AY 23-24	143C1)	10	15	40
AY 24-25	143C1)	<u>30</u>	<u>60</u>	<u>100</u>
		136	222	370
<b>B: ROI not filed upto Dec 8<sup>th</sup>, 2025</b>				
AY 25-26		25	7	20
1/4/25 to 7/12/25	on the basis	12	-	-
8/12/25 to 10/1/26	of books	10	-	-
			<u>229</u>	<u>390</u>

Compute total Income of Block period?

Block period:

PY 25-26

AY 26-27

AY 25-26 ROIX

$$\left. \begin{array}{l} \text{PY 24-25} \\ \text{PY 21-22} \end{array} \right\} \begin{array}{l} \text{PY 23-24} \\ \text{PY 20-21} \end{array} \left. \begin{array}{l} \text{PY 22-23} \\ \text{PY 19-20} \end{array} \right\} + \left. \begin{array}{l} 1/4/25 \text{ to} \\ 10/1/26 \end{array} \right\}$$

The aggregation of following shall be total undisclosed income of block period:

<u>Particulars</u>	<u>Amount</u>
1. undisclosed income declared in ROIX vis 158BC by Assessee	229
2. Undisclosed income determined by Ao	390
	<u>619</u>

Negative list

- |   |     |
|---|-----|
| 1. AY 20-21 to 24-25 based on Assessment/Intimation | 136 |
| 2. AY 25-26 → on the basis of books                 | 25  |
| 3. 1/4/25 to 7/12/25                                | 12  |
| 4. 8/12/25 to 10/1/26                               | 10  |

shall not be included in computation of total undisclosed income of block period.

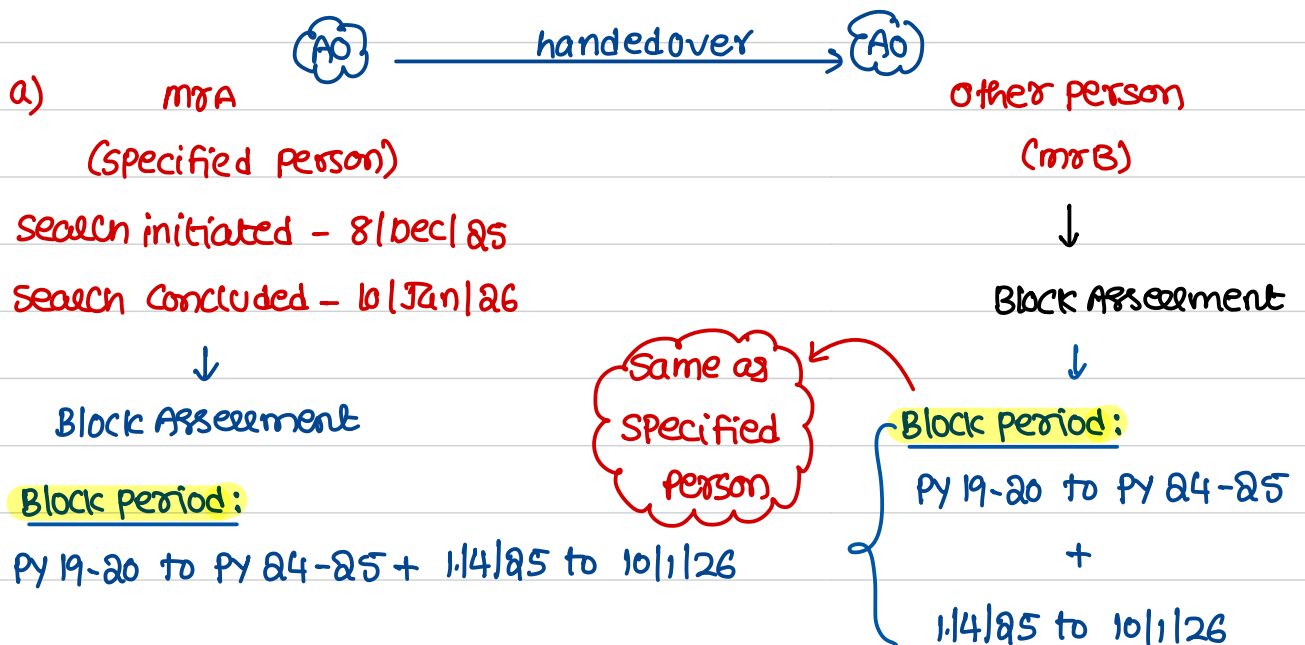
3. sec 158 BC: procedure for Block Assessment

Time limit for submission of ROI vis 158 BC (Return of undisclosed Income)  
 specified period (not exceeding 60 days)

In the following cases above period extended by further 30 days

- PY 24-25 PY 25-26
- a) PY immediately preceding to PY in which search / Requisition initiated, the due date for furnishing ROI has not expired.
  - b) Assessee liable for Tax Audit vis 44AB for any PY
  - c) the Books of A/c's of such PY have not been Audited on the date of issuance of such Notice.
  - d) Assessee requests in writing for extension of time, so that he may get such A/c's Audited.

4. sec 158 BD: undisclosed Income of other person



b)

Mr A (AO)  
(Specified person)  
Search initiated : 8/12/25  
Search concluded : 10/1/26

↓

Block Assessment

Block period

PY 19-20 to PY 24-25 + 1/4/25 to 10/1/26

Mr K (AO)  
(Specified person)  
Search initiated : 30/9/24  
Search concluded : 5/10/24

↓

Block Assessment

Block period

PY 18-19 to PY 23-24 + 1/4/24 to 5/10/24

(AO)

Mr B

(Other person)

↓

Block Assessment

Block period

PY 19-20 to PY 24-25  
+  
1/4/25 to 10/1/26

Same  
block period  
of Mr A.

However, if there are more than one specified persons, the block period for such other person shall be same as the specified person in whose case the block period ends on a later date.

5) Sec 158 BE: Time limit for completion of Assessment

Specified person (search/Requisition done): within 12 months from end of Quarter in which search/Requisition concluded.

However in the certain cases (covered in sec 158 BC - 4 cases in which further period of 30 days Extension), time limit of completion of Assessment:

with in 13 months from end of Quarter in which search/Requisition concluded.

## 6. sec 132B: Application of seized Assets

- \* Books & Documents shall release with in 30 days from date of completion of Assessment / Reassessment
- \* Time limit for taking approval from CIT for retention 1 month from end of quarter in which Assessment / Reassessment order has been made.

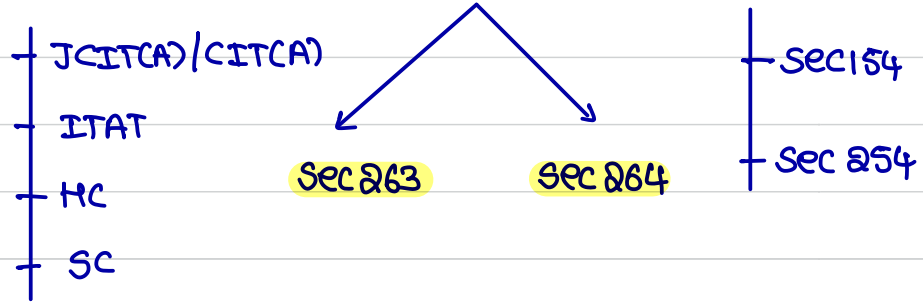
Note: After completion of block Assessment, Ao shall pass an order of Assessment, in this case "NO option" to Assessee to file objections with DRP U/S 144C.

Summary

Points	Search & seizure	Survey U/S 133A	Door to Door Survey U/S 133B
a) Entering place	Any place	<ul style="list-style-type: none"> <li>Place of BIP (or)</li> <li>Place where Books of A/c are kept</li> </ul>	Place of BIP
b) Entry time	Any time.	<ul style="list-style-type: none"> <li>Place of BIP - Business hours</li> <li>Place where Books of A/c - After sunrise before sunset are kept</li> </ul>	Business Hours
c) Seize/Impound	Seize Anything (Except SIT)	Impound Books of A/c for 15 working days	No power of Impound
d) Assistance of officers	✓	X	X
e) Breaking locks (Only if keys are not available)	✓	X	X



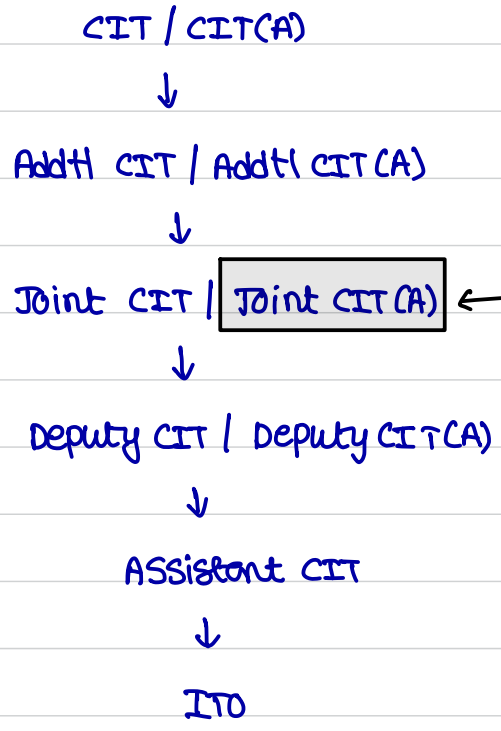
# Appeals & Revision, Rectification & SC



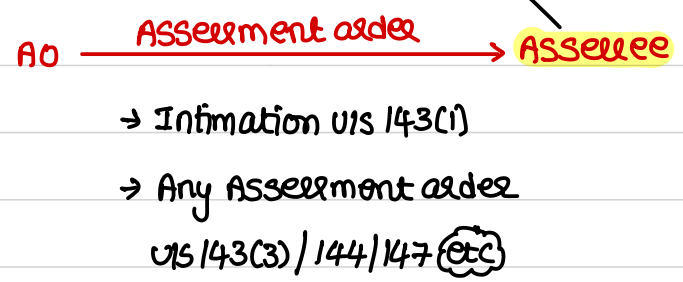
## Appeals

### 1) Appeal before JCIT(A)/CIT(A)

#### a) Orders Appealable before JCIT(A)

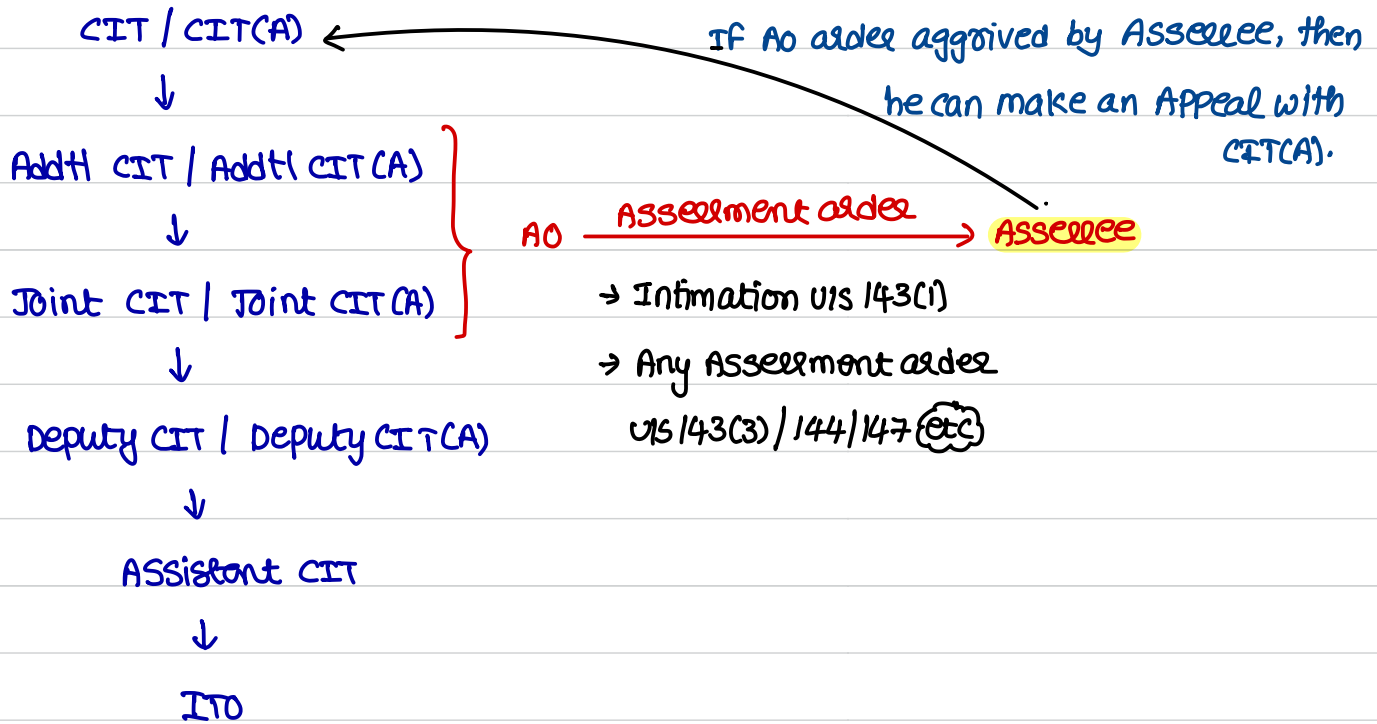


If AO order approved by Assessee, then he can make an Appeal JCIT(A).



before X JCIT(A)		on/after ✓ JCIT(A) (first Appellate Authority)
	1/4/23	

b) orders Appealable before CIT(A)



\*) Appeal pending before CIT(A) in respect of appealable orders as mentioned above may be transferred to JCIT(A) } JCIT(A) proceed with Appeal, where CIT(A) left with stage of Proceeding. (OBH → Assessee)

\*) Appeal pending before JCIT(A) in respect of appealable orders as mentioned above may be transferred to CIT(A) } CIT(A) proceed with Appeal, where JCIT(A) left with stage of Proceeding. (OBH → Assessee).

c) Time limit & Form

Assessee in Form NO 35 → JCIT(A) / CIT(A)  
 With in 30 days  
 (or)

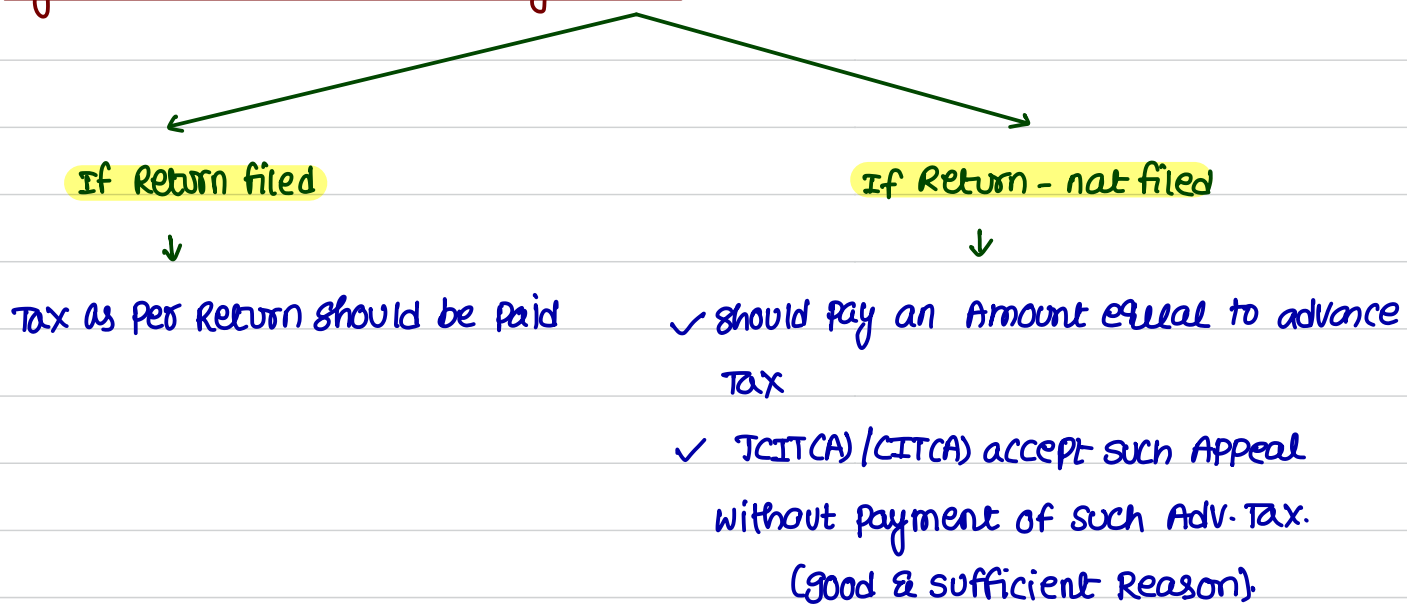
may admit an Appeal even if after 30 days, if he satisfied that Appellant had sufficient cause.

d) central govt empowered to Natify Face less Appeal scheme.

e) Documents to be submitted:

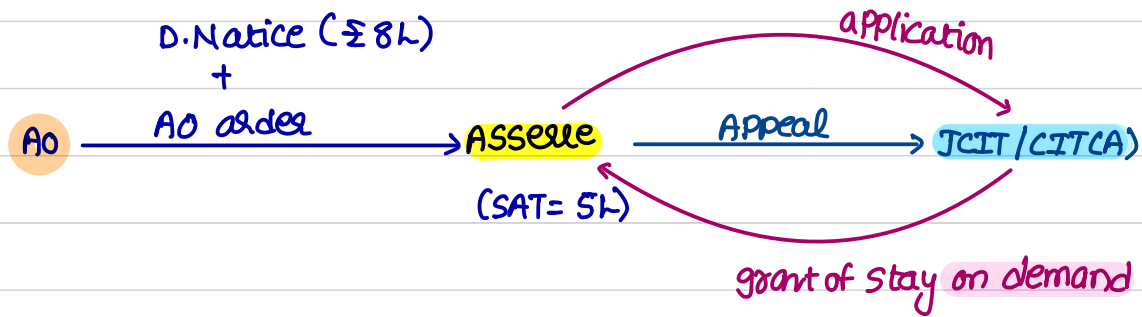
- ✓ memorandum of Appeal (duplicate)
- ✓ order against which Appeal is made
- ✓ Statement of Facts
- ✓ grounds of Appeal
- ✓ Notice of Demand.
- ✓ Challens etc..,

f) payment of tax before making Appeal:



g) Fees

<u>Case</u>	<u>Fees</u>
1. Total Income computed by AO is ₹1L (or) less	₹250
2. " " " " " " ₹1L to ₹2L	₹500
3. " " " " " " above ₹2L	₹1000
4. any other case	₹250

h) power to grant stay

JCIT(A)/CIT(A) has power to grant stay.

i) procedure:J) production of additional Evidences

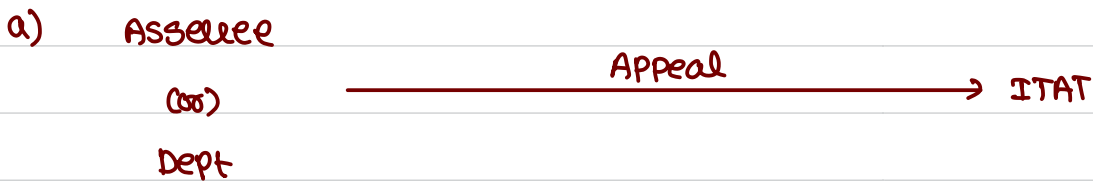
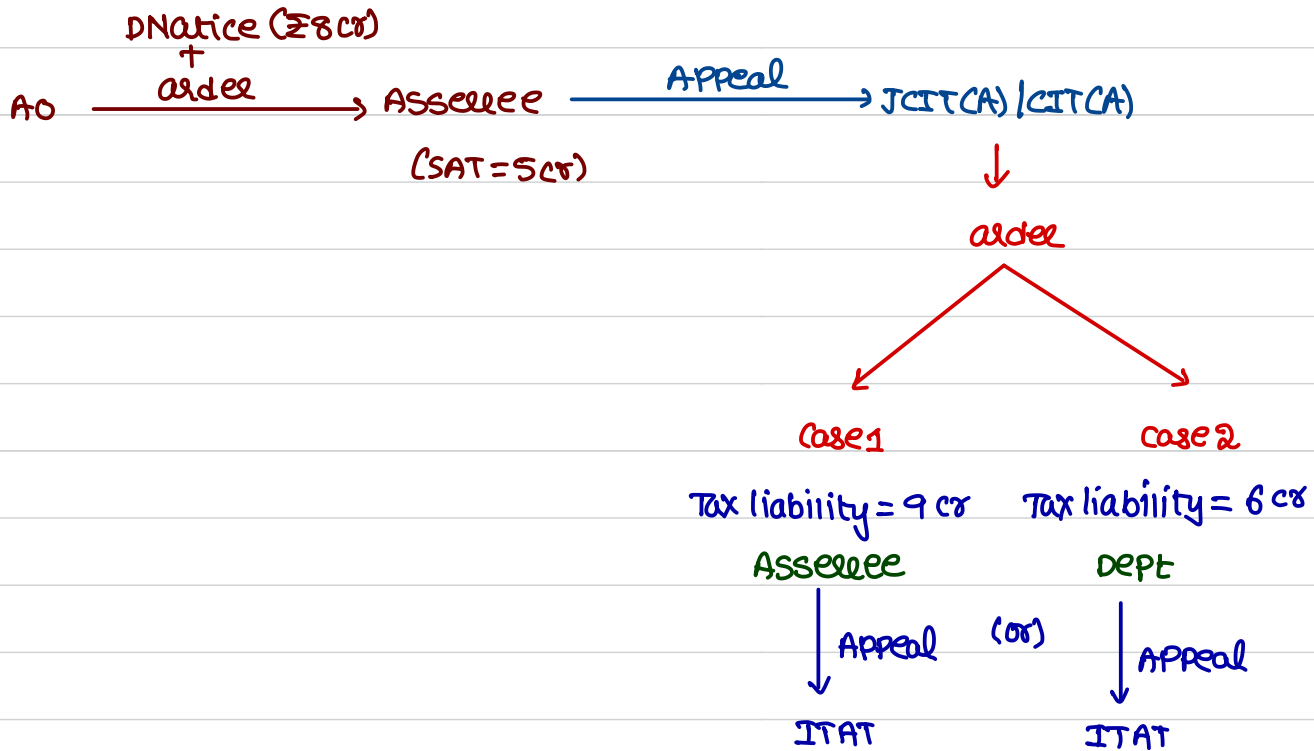
In the following cases Additional Evidences shall be submitted by Assessee to JCIT(A) / CIT(A)

- 1) Where Ao has Refused to admit
- 2) Where Ao has made Assessment order without giving sufficient opportunity to produce Evidence
- 3) Where Appellant was prevented by sufficient cause from producing Evidence before Ao.
- 4) Where Appellant was prevented by sufficient cause from producing

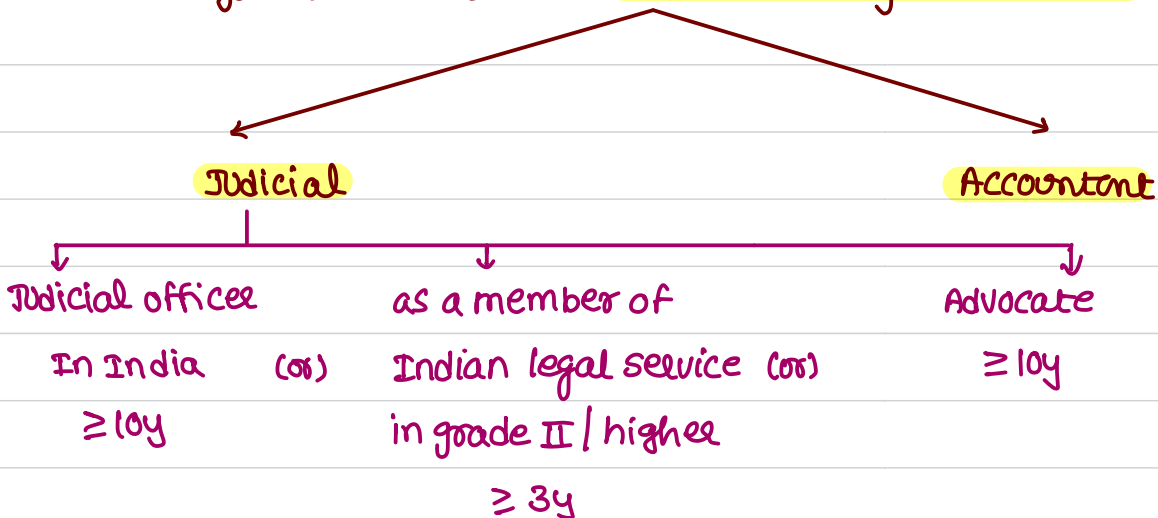


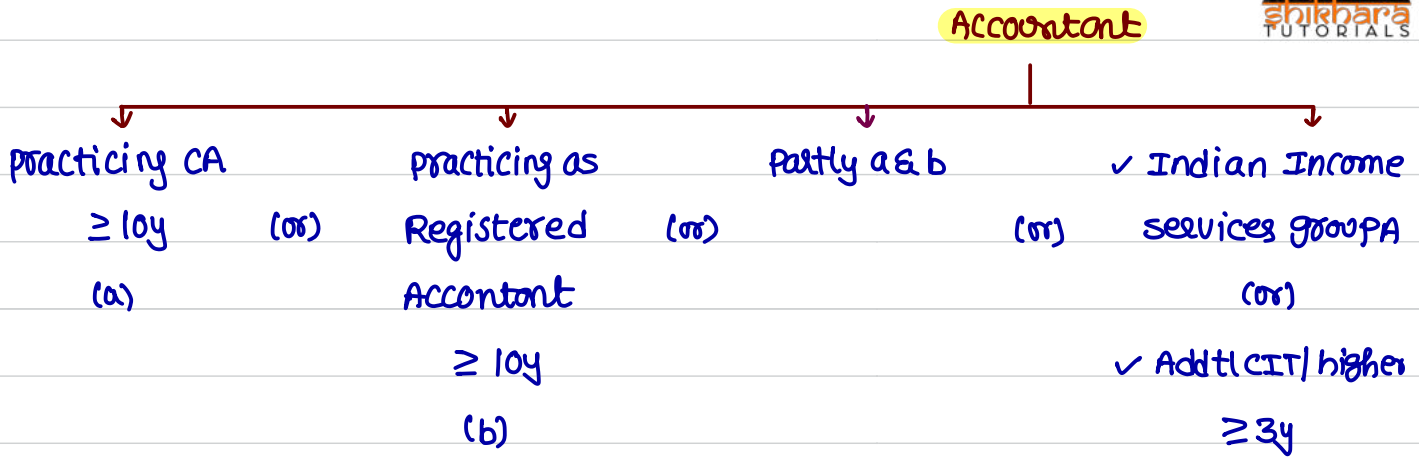
2) Appeal before ITAT:

Example

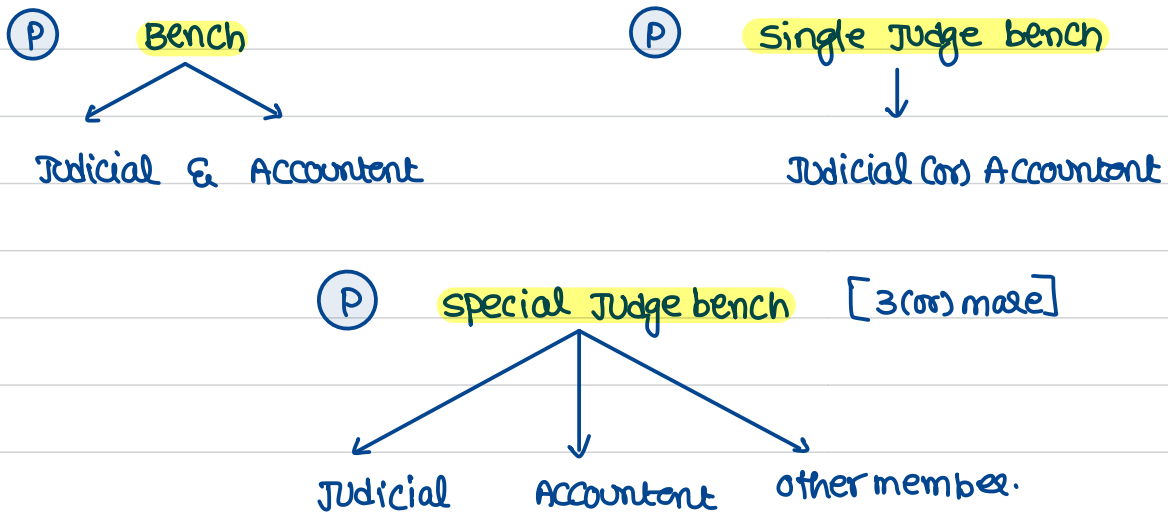


b) Central govt shall constitute **ITAT** consisting of members.



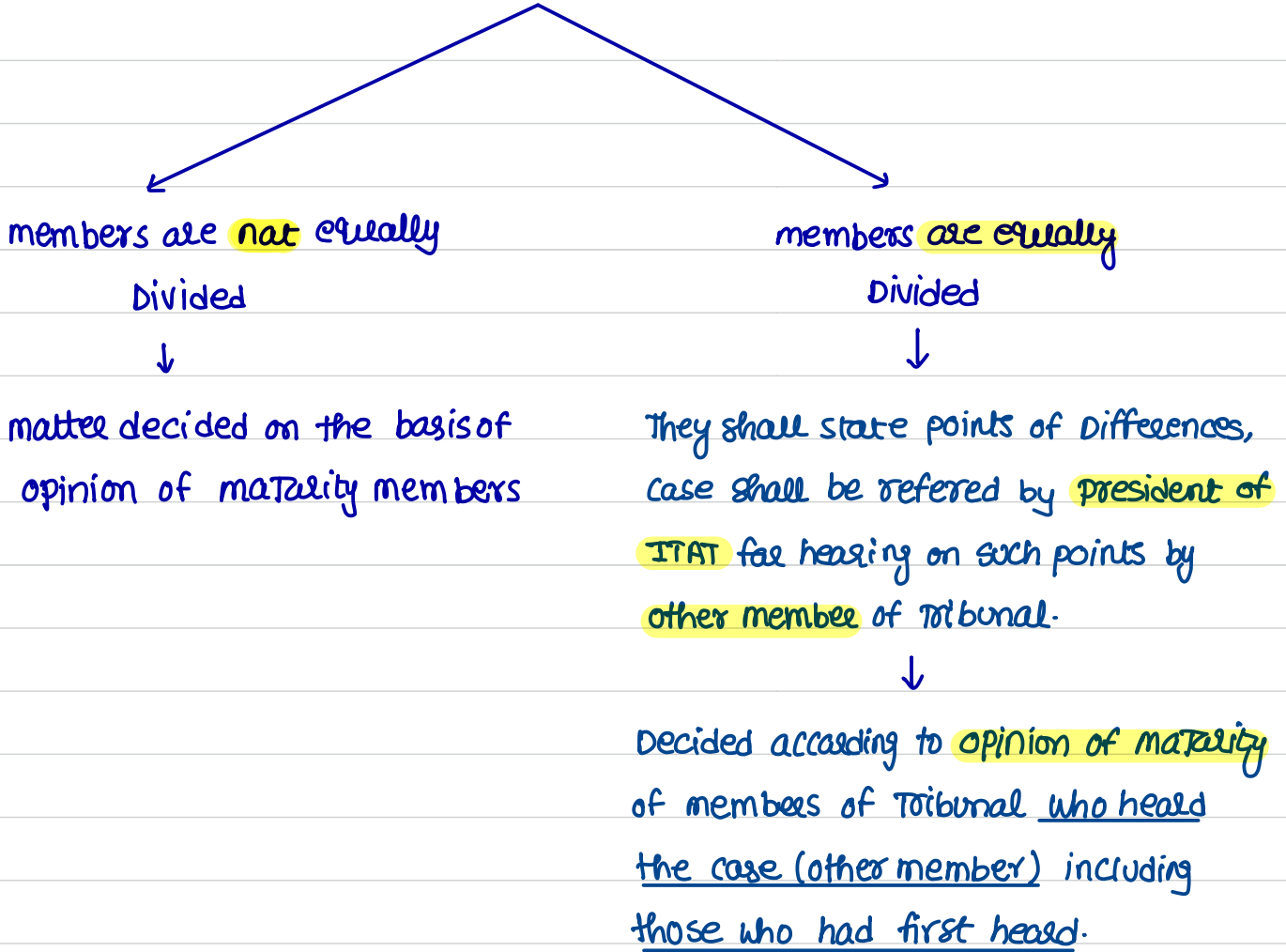


Central govt shall appoint president of ITAT ⇒ Judge of Highcourt (≥ 7y)

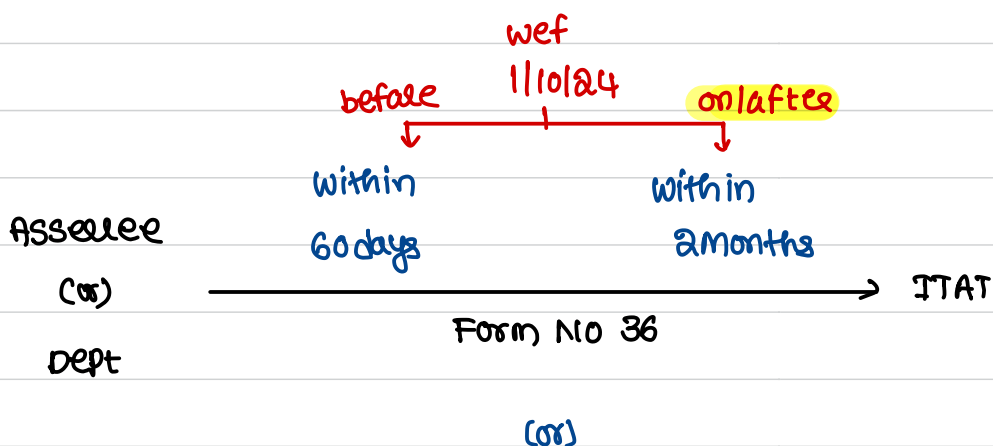


\*) Single Judge bench (ITAT) may dispose Any case which pertains to Assessee, whose total Income as computed by AO does not exceed ₹50k.

Differences in opinion blw members of bench of ITAT



C) Time limit & Form



may admit Appeal even after 2 months, if he satisfied that Appellent had sufficient cause.

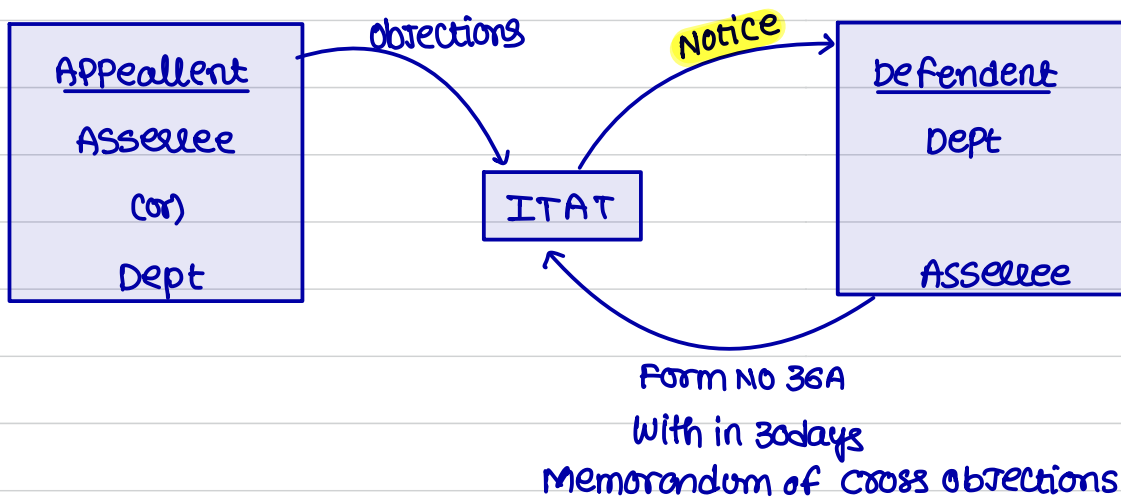
d) Documents to be submitted:

- ✓ memorandum of Appeal (TriPLICATE)
- ✓ order of AO
- ✓ ground of Appeal
- ✓ Statement of facts etc.,

e) Fees

<u>Case</u>	<u>Fees</u>
1. Total Income Computed by AO is ₹1L (or) less	₹500
2. " " " " " ₹1L to ₹2L	₹1500
3. " " " " " more than ₹2L	% of Assessed Income but maximum ₹10,000
4. any other case / stay on demand	₹500
5. If Appeal filed by department	No Fees
6. memorandum of cross objections	No Fees

f) memorandum of cross objections



Tribunal may admit belated memorandum of cross objections.

### 9) order of stay on demand

In order to get stay on demand  
Assessee, needs to pay 20% of  
outstanding demand (at least) as  
deposit.

If Appeal not disposed  
within a period allowed  
i.e 365 days, then order  
of stay on demand shall  
stand vacated after  
expiry of that period.

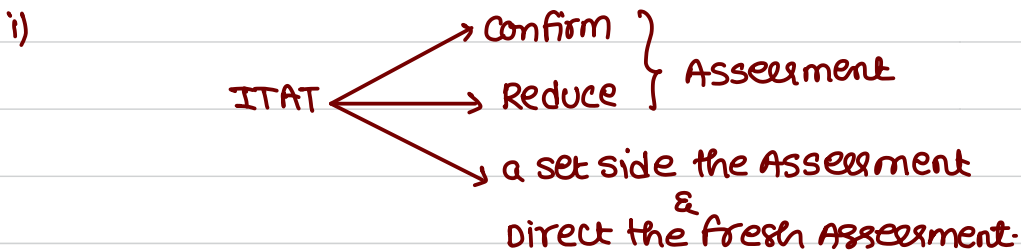
→ Grant of stay on demand  
fee maximum 180 days.

→ If ITAT fails to give Judgement  
within 180 days, then stay on  
demand, extended to 365 days  
(original + Extension)

#### Pepsi Foods Ltd:

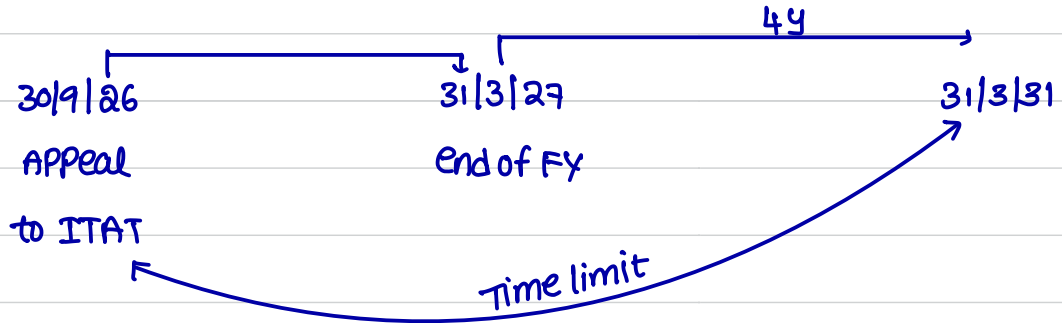
The order of stay on demand shall stand vacated after  
expiry of 365 days, only if the delay in disposing of the appeal attributable  
to assessee.

n) Central govt shall make Faceless appeals scheme for making Appeal to ITAT



2) Time limit for passing order

ITAT can pass order within 4 years from end of the FY in which appeal was filed.



3) Appeal to high court



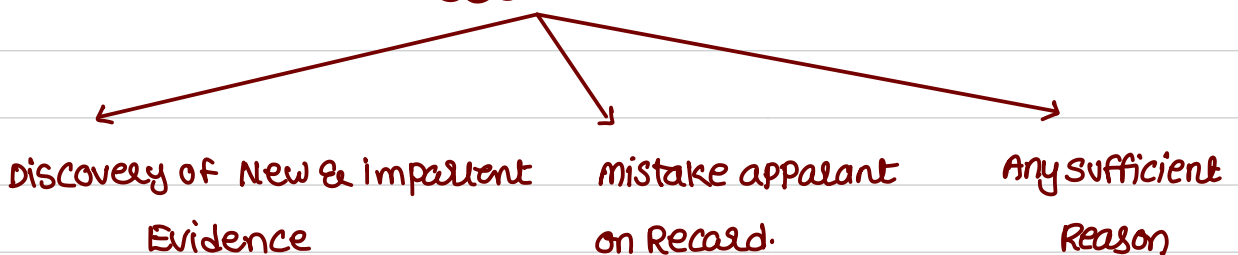
b) Healing of Appeal

→ bench **not less than** 2 Judges of HC

→ Differences of opinion Among Judges



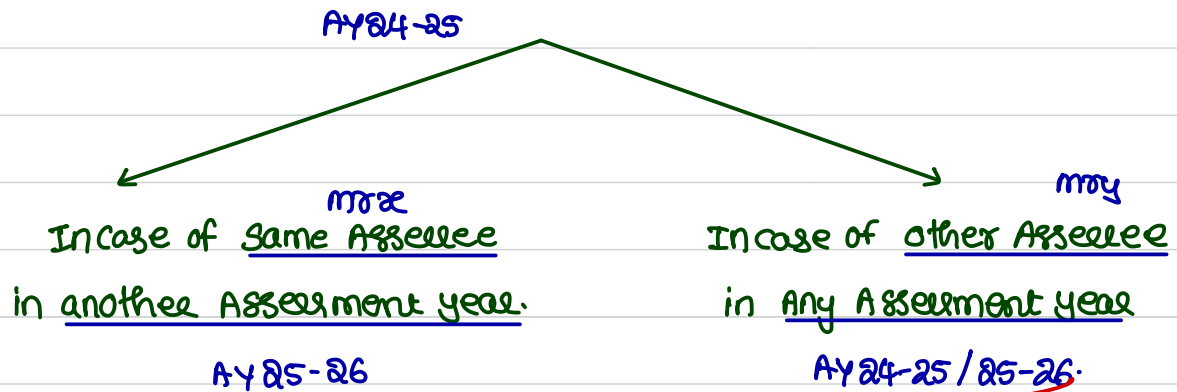
c) HC have power to **Review** its own order only (if)





dept  $\xrightarrow{\text{Appeal X}}$  ITAT  
 $\downarrow$   
 due to sec 268 A

If dept has not filed Appeal on particular issue in case of particular Assessee in particular year due to above limits given in sec 268A.



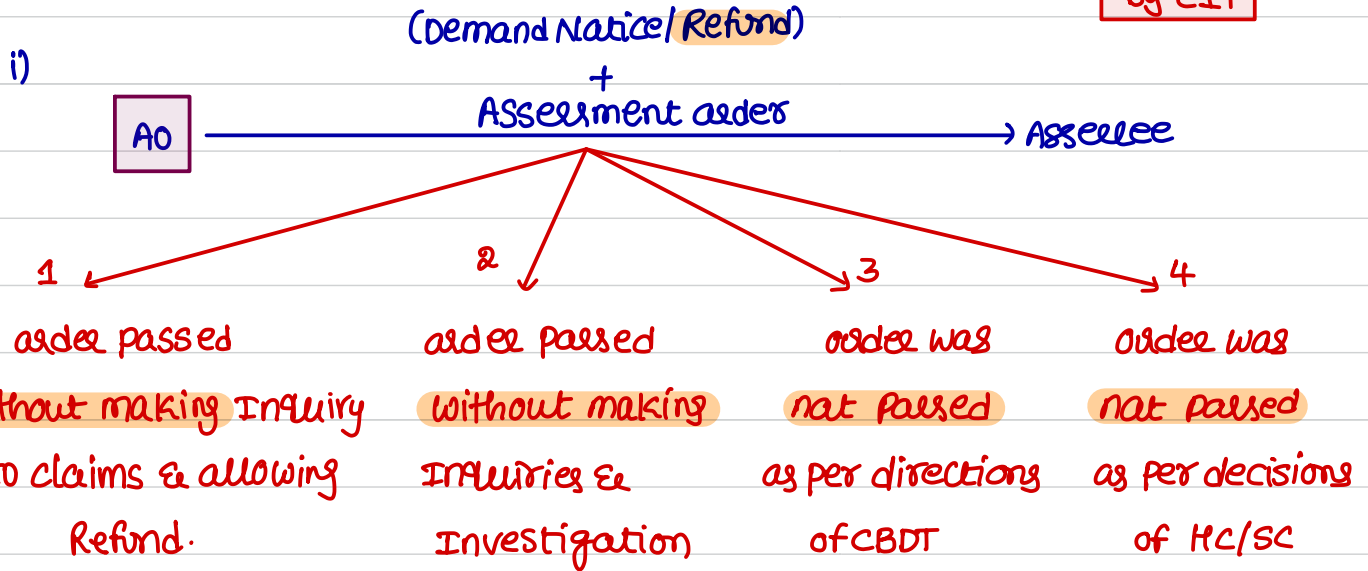
Dept shall not stop for filing Appeal on the same issue even tax effect involving in the cases below the mandatory limits.

# Revision

→ Appealable before ITAT by Assessee.

a) sec 263: Revision of orders, which is prejudicial to the interest of Dept

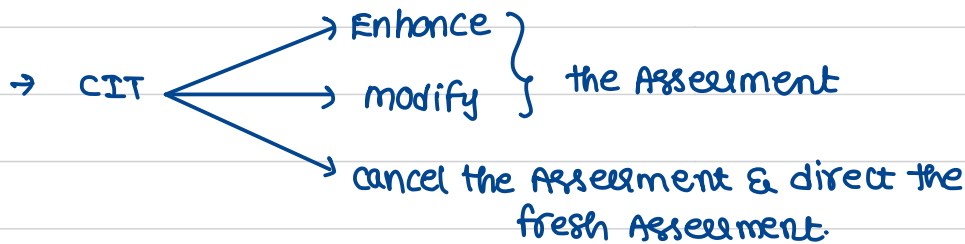
by CIT



## ii) procedure

→ CIT may call & Examine Records.

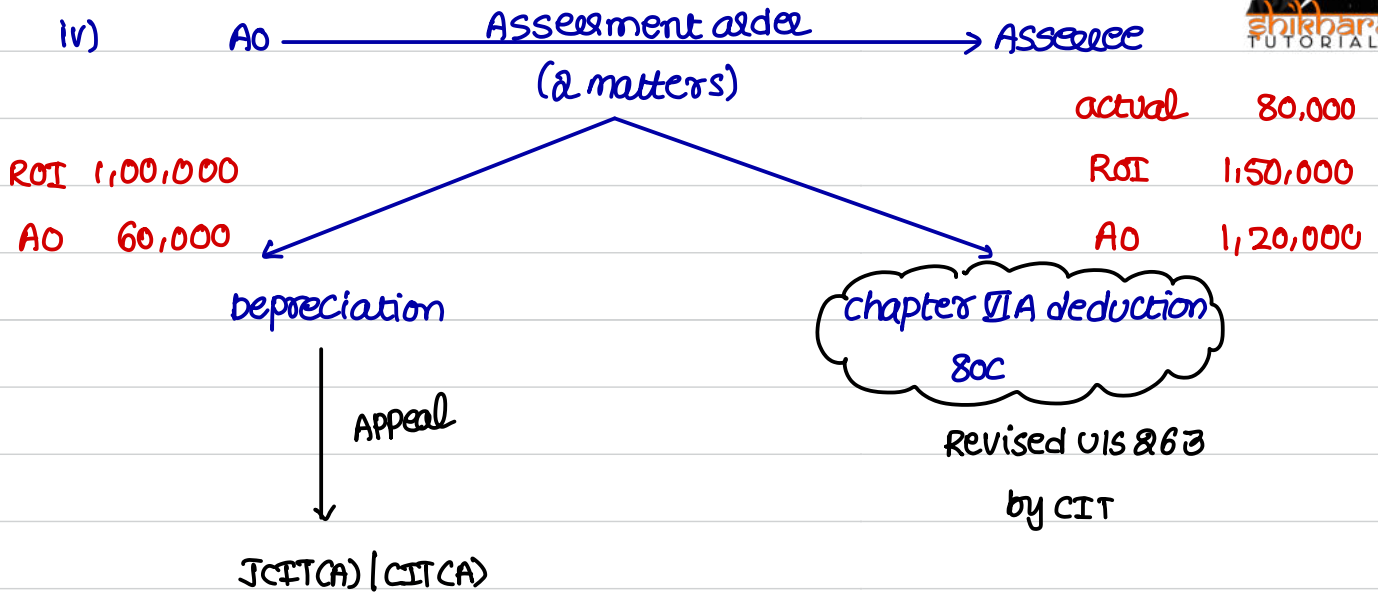
→ OBH to Assessee before passing Revision vis 263.



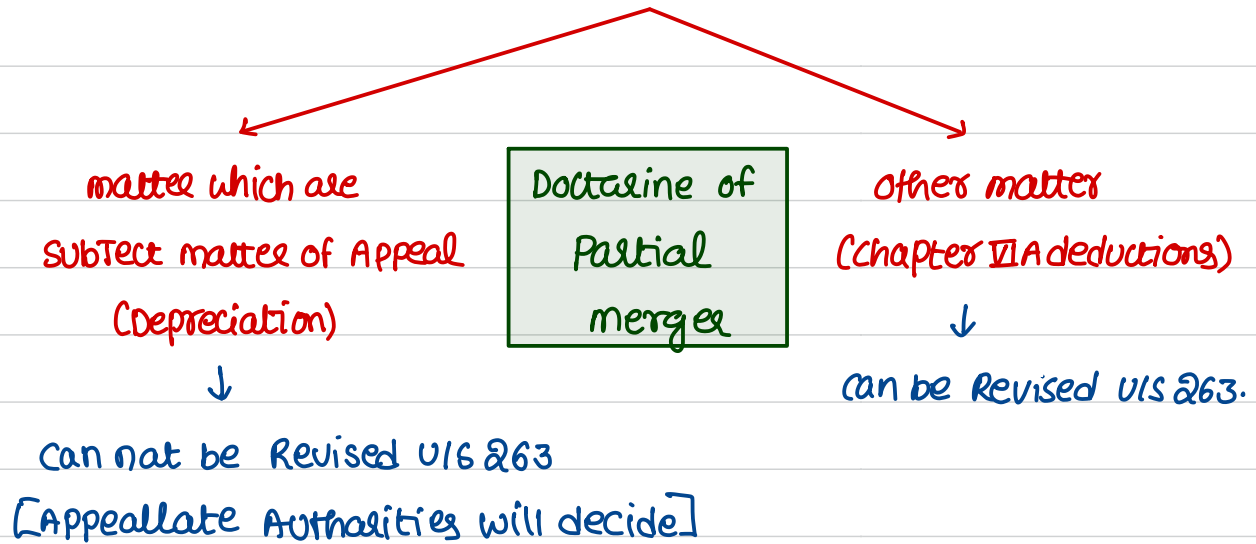
## iii) Time limit

Revision of order vis 263 shall be passed with in 2 years from end of FY in which AO order was passed.





If AO order has been Considered in Appeal



→ Not Appealable.

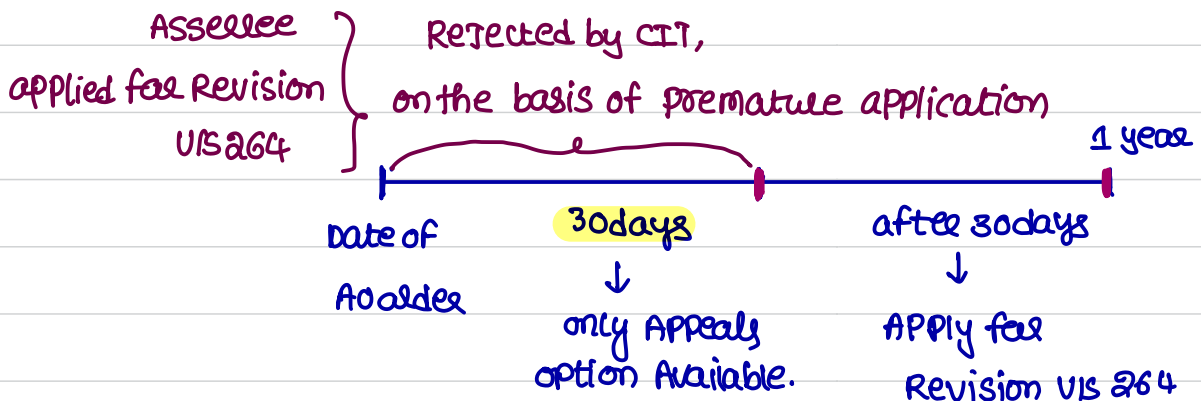
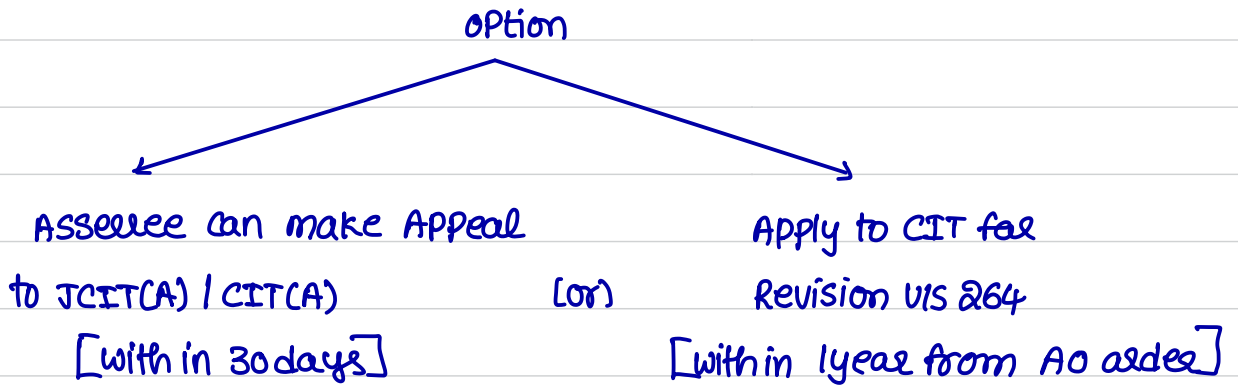
b) sec 264: Revision of orders, which is prejudicial to interest of Assessee.

i) Assessee application (₹ 500 Fees)

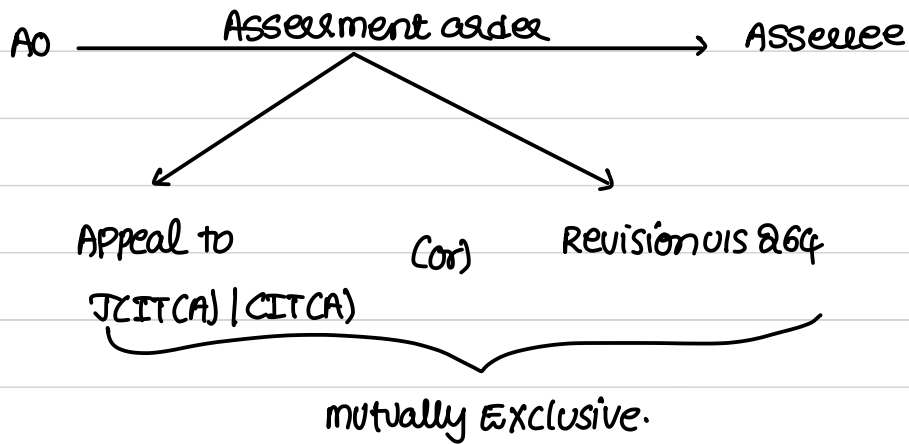
CIT  
PCIT  
CCIT  
PCCIT } Confirmation

can revise AO order.  
(which is prejudicial to interest of Assessee)

ii)



Assessee can apply for Revision vis 264 only if time limit to file Appeal to JCIT(A) / CIT(A) has been expired.



iii) Time limit for passing Revision u/s 264



iv) AO order has been considered in Appeal

↓  
Revision u/s 264 is not possible

Doctrine of  
Total merger

# Rectification of mistake

sec 154

sec 254



a) Income tax Authority (AO/CIT/CIT(A))  
can Rectify mistake which is apparent  
on Record (in)

a) ITAT can Rectify the mistake in it's  
order which is apparent on it's  
Record.

- order passed by Authorities
- Sec 143(1) - Intimation
- TDS/TCS - Intimation

b)

Time limit

b) Application by 
 → Assessee  
 → own motion
   
[NO Form & NO Fees]

own motion

Application by  
Assessee

↓  
with in 6 months from  
end of month in which  
ITAT order was passed

↓  
with in 6 months from  
end of month in which  
Application made by  
Assessee

c)

Time limit

own motion

Application by Assessee

↓  
Within 4 years from end of FY in  
which order containing mistake was  
passed.

↓  
with in 6 months from end of month  
in which application received by IT  
Authority

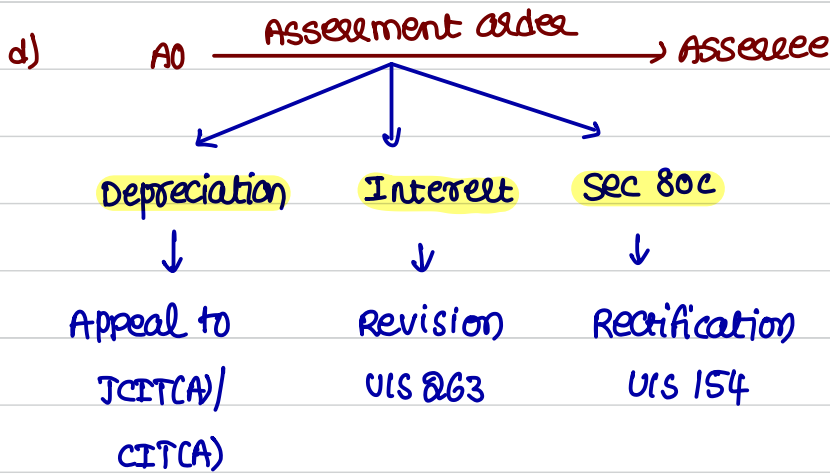
4y

6 months

31/8/25      31/3/26      31/3/30  
order passed      end of FY  
(mistake)

15/6/25      30/6/25      31/12/25  
Application      month end  
Received

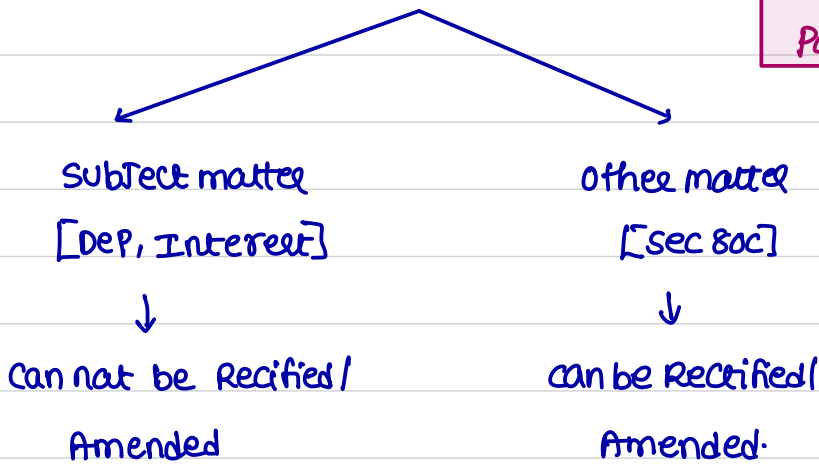




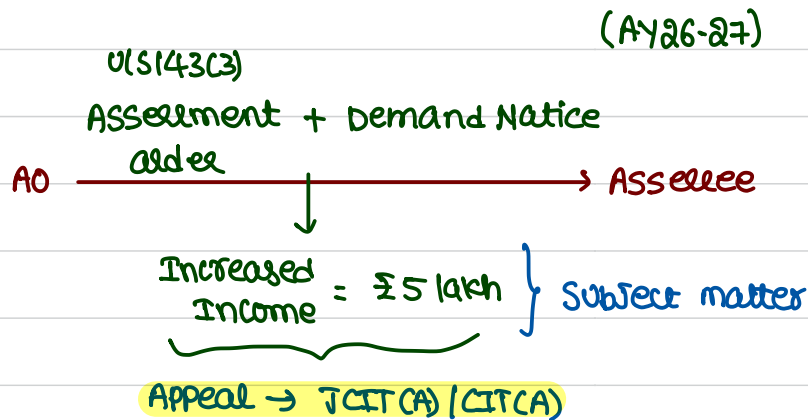
Matters has been considered in

Appeals/ Revision

Doctaline of  
Partial mergee



Note:



based on **New Information**  
suggests that Income escaped  
from tax  
[Other matter]

AO wants to Start Assessment u/s 147  
for AY26-27.

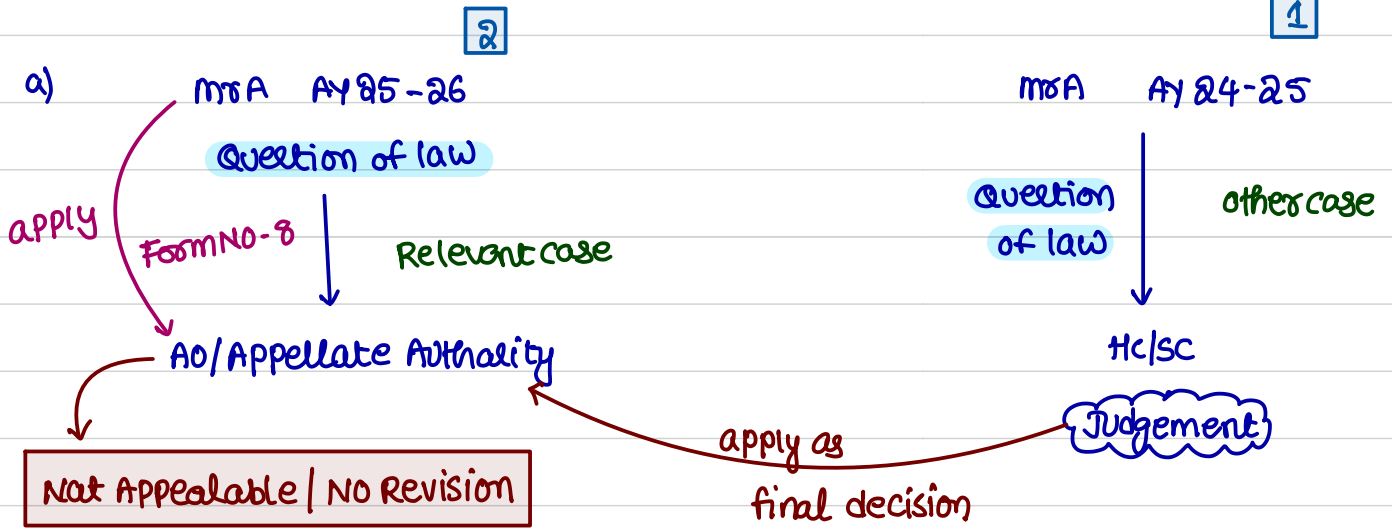
[Doctaline of Partial mergee]

Yes, AO can Start Assessment u/s 147.

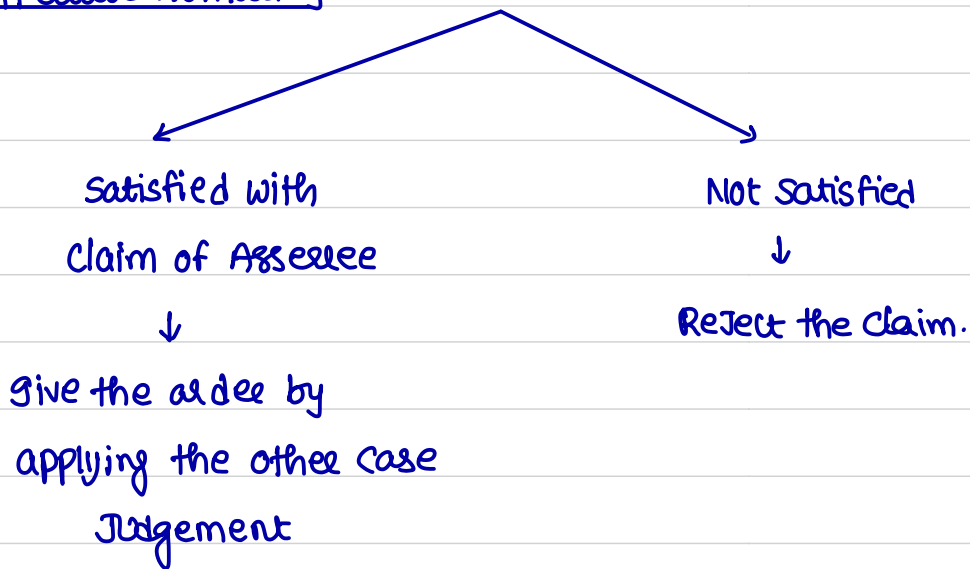
## Settlement Commission

1. Settlement Commission cease to operate after 31/01/21.
2. after above mentioned date, "No applications" shall be accepted
3. W.r.t pending applications, C4 constituted the one/male interim boards.
4. Interim board consists of 3 members, each being Rank of CCIT.
5. Differences of opinion on Any point, opinion of majority prevail.

\*) Sec 158A: provision Regarding Avoidance of Repetitive Appeals



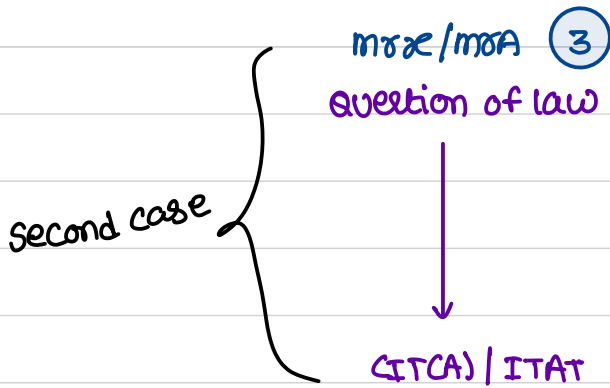
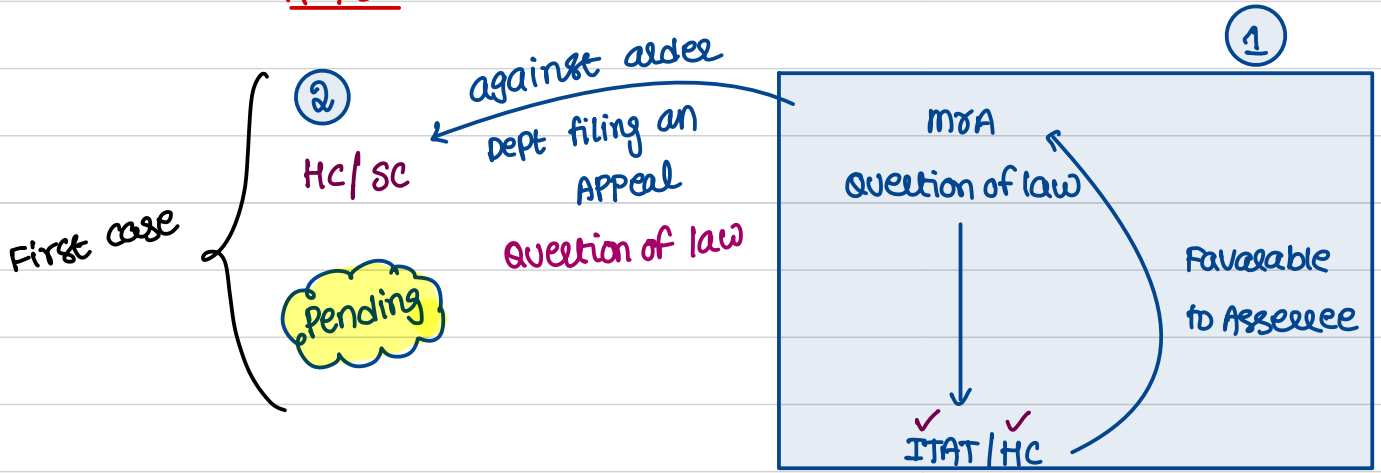
b) AO/Appellate Authority



c) When the decision on Question of law in other case become final, it shall be applied to Relevant case and AO/Appellate Authority has to pass the Amended order.

[Because HC/SC have an power to Review it's own order]

\* SEC 158AB: procedure where an identical law is pending before HC/SC



procedure: favor of Assessee, instead of filing Appeal to ITAT/HC by Dept, the Collegium may decide & Inform CIT/PCIT not file an appeal at this stage to ITAT/HC.

