

u/s 143(1) - 10,000 T  
u/s 143(1) - deemed In

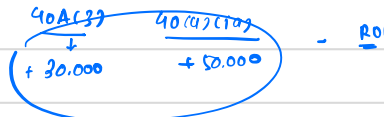
Node Assn

Sec 143(1) - Summary Assessment

(Section 143(1)(a) provides for computation of the total income of an assessee after making the following adjustments to the returned income:-

- (a) Any **arithmetical error** in the return; → 800 - 50,000  
59 → 60 - 10/10/25
- (b) An **incorrect claim**, if such incorrect claim is apparent from any info in the return; (5)
- (c) Disallowance of **loss claimed**, if return of the previous year for which **set-off** is claimed was filed beyond due date u/s 139(1); loss → 139(1) - True for 10/10/25
- (d) Disallowance of **expenditure or increase in income** indicated in the audit report but not taken into account in computing the total income in the return;
- (e) Disallowance of deduction u/s **section 10AA** or under Chapter VI-A 'C'.  
(80-IA, 80-IB, 80-IC, 80IAB, 80 IAC etc), if **ROI** filed beyond due date u/s 139(1)

Notes:



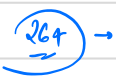
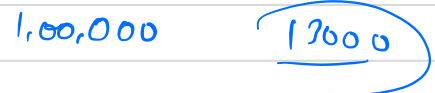
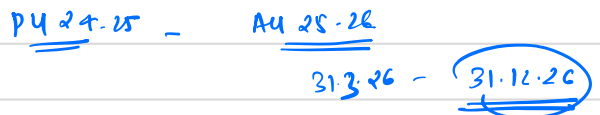
- Summary assessment u/s 143(1) is possible only if Return u/s 139(1), 139(4), 139(5) or 142(1) is filed + 139(8A) - updated Return 143(1) - is done for 10/10/25
- Intimation is generated → For **payable, refund or loss return**.
- If No Adjustment → Acknowledgement is **deemed Intimation**
- If there is a **Refund** hai → It will be **Granted**. - Grant
- If Any Amount is Payable → Intimation is considered as **demand order u/s 156**. 30,000
- Before making any adjustments → intimation is given to the assessee requiring him to respond to such adjustments **within 30 days**.  
↳ Any response received is **considered before** making any adjustment. However, if **no response** is received within **30 days** of issue of such intimation, the processing shall be carried out incorporating the adjustments.



→ Time limit - **9 months** from the end of F. Y. in which ROI was filed.

→ Remedies Available:

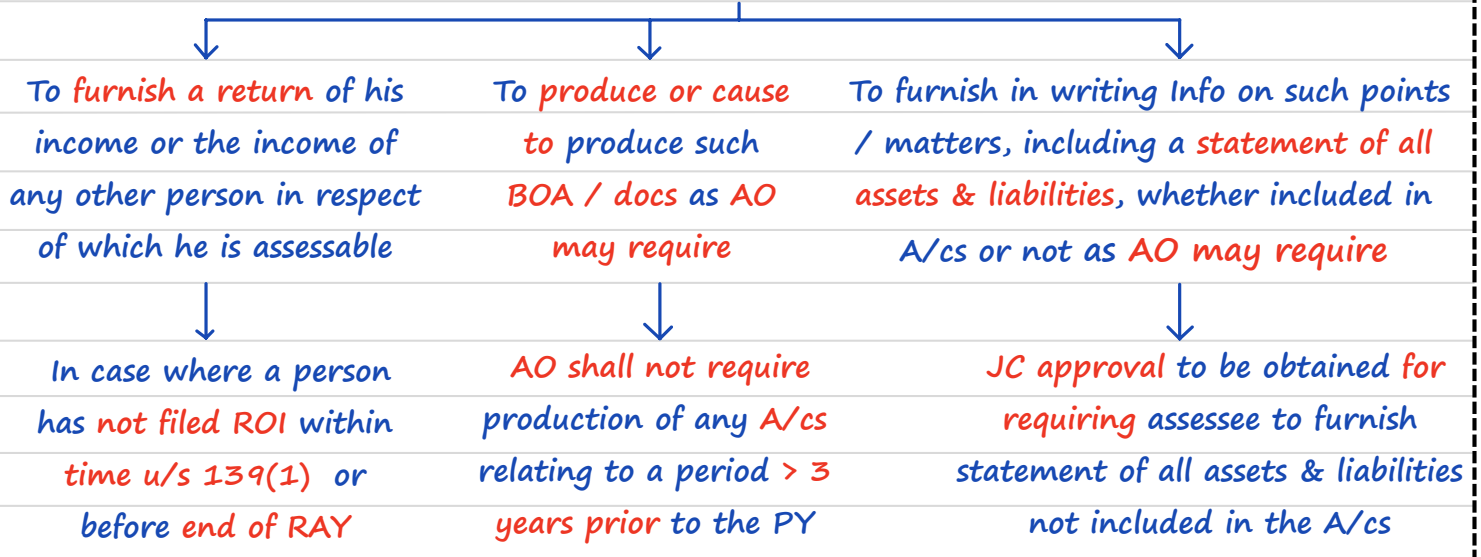
- Rectification us 154
- Appeal to CIT(A) u/s 246A
- Revision u/s 264 → (Intimation is considered as Order for the purpose of Sec 264)



AY 14-15  
5,00,00  
90-25,000

Sec 142(1) - INQUIRY BEFORE ASSESSMENT

Notice u/s 142



Sec 142(1)

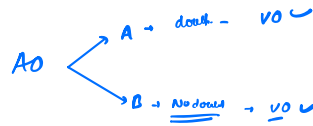
Pr



- (i)**
  - File ROI → If not filed u/s 139(1) (Return in response to notice)
  - This Return is deemed Normal. 143(1) is also done with this return.
  - If ROI not filed:
    - 10,000 Penalty - For non-compliance of AO's Order
    - BJA us 144
- (ii)**
  - Submit Information
  - Any Details relevant to return can be asked for.
  - Current year + Prior 3 P.Ys
  - For Details other than details mentioned in ROI/BS(personal assets), Prior approval of JC will be required
  - JC → Highest AO.

Sec 142A - REFERENCE TO VALUATION OFFICER

- when A. O. has issues in Valuation of any ASSET, PROPERTY or INVESTMENT, then he can refer case to Valuation officer.
- Time limit: 6 months from the end of month in which reference was made. This time will be excluded from Time limit of completing Assessment
- V. O. Order - Not binding - because it is for reference.
- TPO Order - Binding on the AO



→ AO can make a reference to Valuation officer whether or not he is satisfied about the correctness or completeness of the A/cs.

debt in whole in life

## Sec 142(2A) - SPECIAL AUDIT

Accounts - CA  
Inventory - CMA  
Expenses - bear - Arn

→ AO directs for **Special Audit** in case of the following issues:



CIT - common PCIT

**Who Conducts:** Department(CG) appointed CA/CMA - nominated by **CIT/PCIT**.

**Who will bear Expenses:** Department(CG) will Bear → Sahara case.

**Max 180 days** → Total period

**Time Limit:** Time period will be mentioned in notice.

**Approval Before Audit :** Approval of **CIT/PCIT** is required.

Opportunity of Being Heard

CIT/P

→ **OOBH** must be given before Audit.

→ AO can direct either or both of the following:

- Audit of accounts by an Accountant (CA)
  - Inventory valuation by Cost Accountant [CMA]
- (other provisions remain same as special audit)

→ Audit is done Already → Then also special Audit will be done.

→ Refused for Special Audit: **10,000** penalty, **BJA u/s 144**, Search can also be initiated.

→ Every CCIT would maintain a panel of:

- (1) Accountants as per Sec 288(2)
- (2) Cost Accountants as per Sec 142

→ Range of Expenses (including Remuneration) :

It should be **Min ₹ 3,750 & Max ₹ 7,500** per hour

→ The period of Audit shall be specified by AO in terms of hours required to complete the Audit Report.

143(2) → 143(3)  
Notice

# SabkarLenge

PY 24-25 → AY 25-26

Sec 143(2) - NOTICE OF SCRUTINY

31.3.26 → 3 months

5.7.21

From this

30.6.20

Notice u/s 143(2) is mandatory: Assessment Invalid if Notice is not given.

Time Limit : shall be served within 3 months from the end of F.Y. in which ROI was filed.

Non-Compliance : 10,000 ki penalty & BJA u/s 144.

Time Barred Notice: If Notice is Time Barred & Assessee replies & cooperates with the notice & appears in the proceeding → then Assessee can't raise objection & later that Notice was time barred or notice was not given to him. [292 BD] Con

But he can still raise objection before completion of assessment.

If notice was not given

Nokhi notice  
Assessee

Sec 143(3) - REGULAR ASSESSMENT/ SCRUTINY ASSESSMENT

→ AO or prescribed ITO shall ensure that:

- Income is not understated ↓
- Loss is not overstated ↑
- Tax is not underpaid ⬆️

→ AO may order:

- Amount payable or
- Refund due or
- Reduce loss or
- Increase the Returned Income

→ In 143(3) AO can increase or decrease Income.

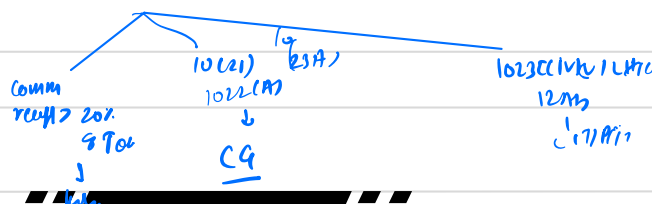
→ AO also has the power to reject Exemption or Deduction.

→ In case of Charitable Trust (whose Object is Advancement of any other object of General public Utility), Commercial receipts > 20% of Total Receipts

→ AO shall not grant Exemption u/s 11 or 12 for the PY

→ For Trusts registered under Section 10 (21), (22B), (23A), (23B)

→ AO cannot deny exemption u/s 10 without intimating CG/Prescribed authority of contravention of the provisions and till the approval granted to these funds, trusts, institutions, hospitals etc has been withdrawn or notification is rescinded.



The time period for completing the assessment in such cases will exclude the period between the date on which the AO gives the intimation of the default and date on which copy of the order withdrawing the approval is received by the AO

$\hookrightarrow$  (If remaining time is less than 60 days, the time period will be deemed to have extended to 60 Days)

$\rightarrow$  Where the AO is satisfied that any trust or institution referred u/s 10(23C)(iv),(v) (vi), (via) or 11, has committed any violation specified in Sec 12AB(4),

↓  
he shall send a reference to the PCIT/CIT  $\rightarrow$  to withdraw the approval or registration

↓  
& no order of Assessment of Income or Loss shall be passed

↓  
without giving effect to the order passed by the PCIT/CIT u/s 12AB(4).

Remedies: Appeal- 246 A, Rectification - 154, Revision - 264

### Sec 144 - BEST JUDGEMENT ASSESSMENT/EX-PARTE ASSESSMENT

AO shall make an assessment to the best of his judgement and knowledge if Assessee:

- Fails to furnish ROI - 139(1), 139(4), 139(5), 139(8A) or
  - Fails to comply notices - 142(1) or
  - Fails to comply direction - 142(2A) or
  - Fails to comply with scrutiny Notice- 143(2) or
- } **COMPULSORY**

$\rightarrow$  Income can only be increased u/s 144. It can never be decreased.

Sec 145(3) - Discretionary Best Judgement Assessment

- AO has doubts about **correctness & completeness of A/cs & documents** of the assessee.
- **Method of Accounting** not regularly employed by the assessee.
- Income not computed by following **ICDS**.

Discretion of AO  
Marzi

Sec 144A- Power of JC to issue direction

On his own motion

Joint Commissioner may call to examine

on Application ←  
of assessee

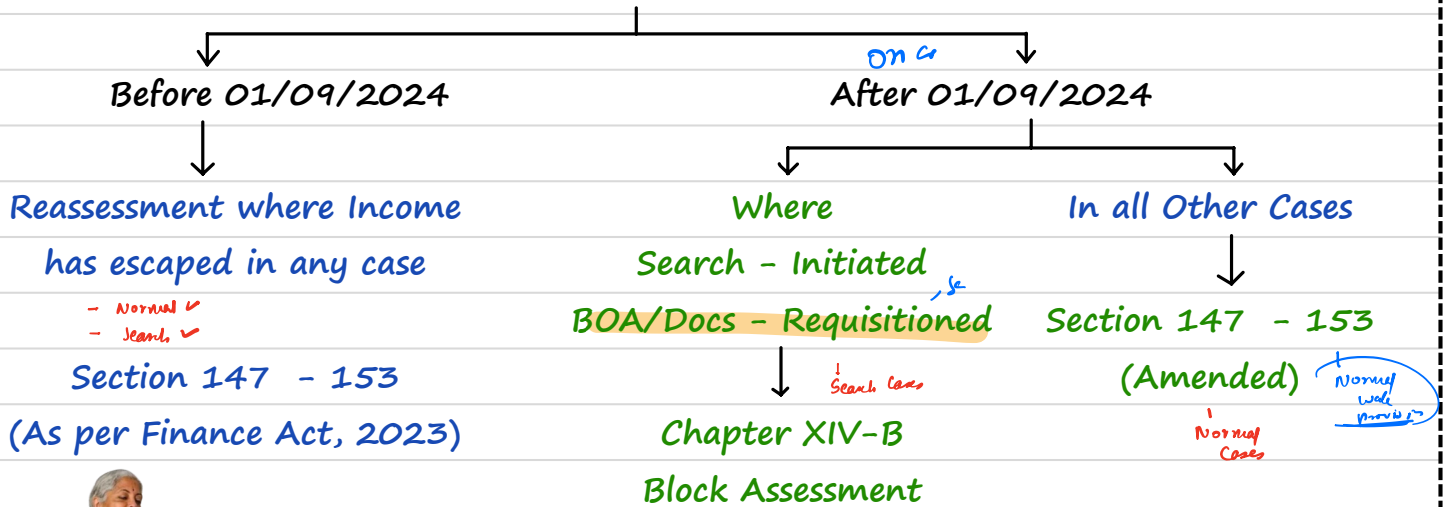
record of any pending  
assessment proceeding.

→ On reference  
made by A.O.

- These directions are **Binding on AO**
- If JC thinks fit, he may give directions to A.O.
- OOBH must be given to the assessee → **If direction is prejudicial to assessee.**

NOTE

The Finance Act, 2024 has introduced a new structure for Assessments



So Basically, You have to study Reassessment u/s 147-153 Before & After Amendment in Finance Act, 2024



Normally books  
 (can't say)  
 Ref. 2nd  
 147-112

143(3) → 143(2)  
 147 → 148 notice

# # SabkarLenge

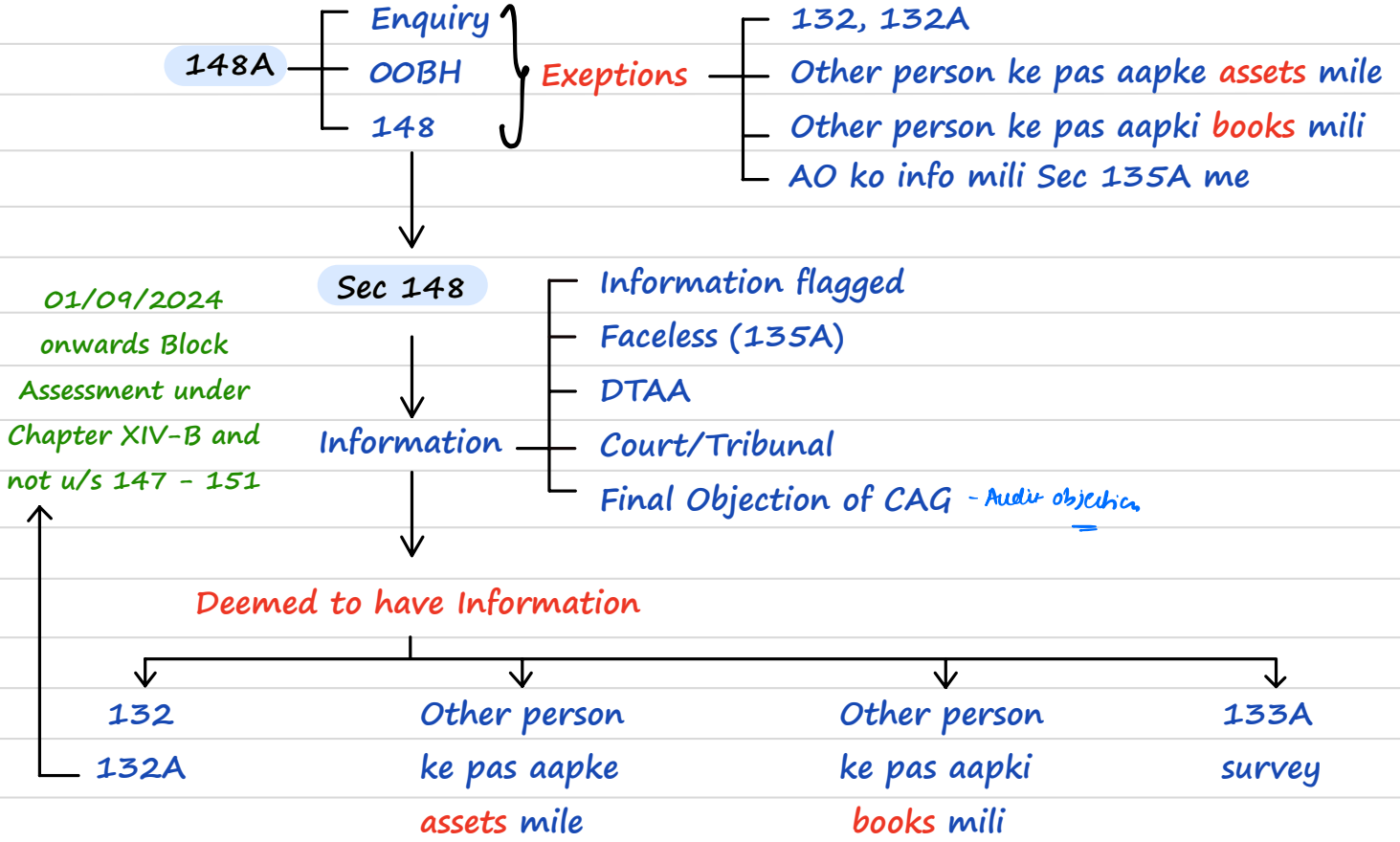
“ What is Reassessment? ”

## REASSESSMENT

### Reassessment Chart (upto 31/8/24)

Assessment by AO for Income Escaped in any AY u/s 147

For doing → Sec 147, You have to follow this procedure:



## Sec 147 - Re-assessment/Income Escaping Assessment

If any Income chargeable to tax has escaped assessment for any A.Y. in case of an assessee, he shall assess or re-assess such Income and any other Income which comes to his notice, subsequently, subject to Provisions u/s 148 to 153

→ AO may assess any income which has escaped assessment and subsequently comes to his notice during the course of his proceedings.

The procedure of 148A is not required in this case.

→ Income can only be increased & never decreased.

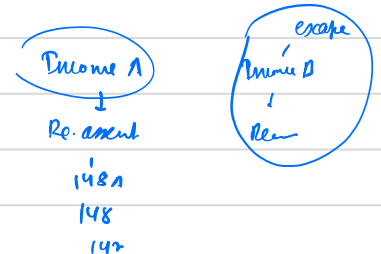
Assess or Re-assess? - What does that mean?

143(3) is done already → 147 POSSIBLE

143(3) not done → 147 POSSIBLE

144 is done earlier → 147 POSSIBLE

147 is done earlier → 147 POSSIBLE



Before 01/09/2024

Re-assessment

# SabkarLenge

148A → 148 → 147  
148C2) → 148C3)  
genuine to job by

Badman Search - Requisition

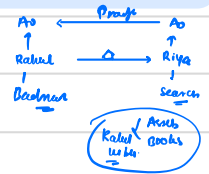
### Section 148A- Conducting Inquiry, Providing OOBH before 148 notice

- Inquiry
- OOBH
- Considering Reply
- Decide

Mayank  
↓  
148A  
↓  
✓  
148xx

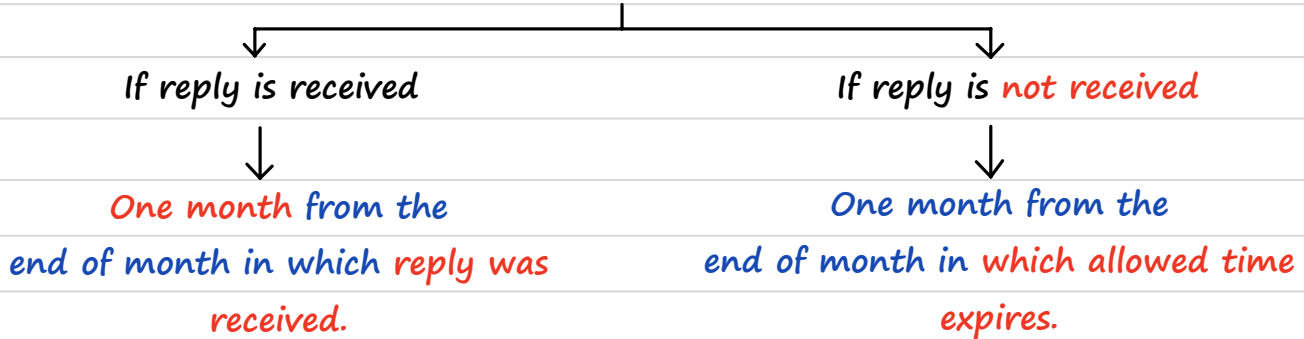
Vishal  
↓  
148A  
↓  
OO  
↓  
148 ✓

Rahul  
↓  
Badman Search ✓  
or Requisition ✓  
or BOA / Assets seized ka ghar nahi jata hai ✓

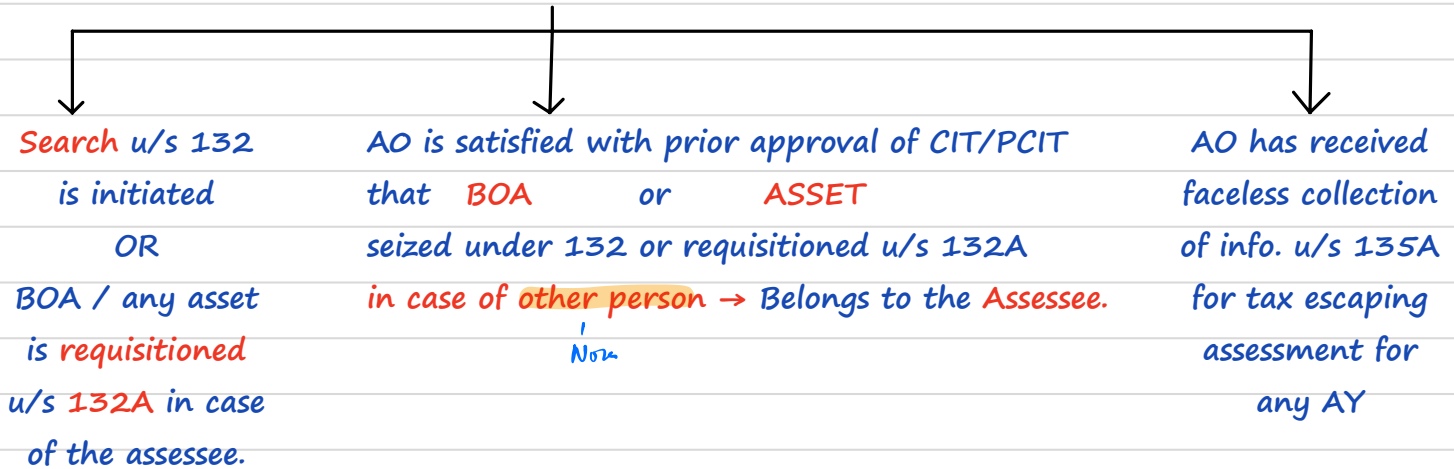


- (i) Conducting Enquiry: Inquiry shall be done with prior approval of **specified Authority** w.r.t. any info that **has escaped assessment**.
- (ii) Providing OOBH: OOBH shall be given by serving a **show cause notice (SCN)** as to why 148 should not be done in your case.
- (iii) Time given: **7- 30 days** from the date of issue of notice
- (iv) Decide: A.O. has to decide weather it is a **fit case** for issuing **Sec 148** notice by passing an order.  
 ↳ with the approval of **specified Authority**

#### Time of Passing Order by AO



→ 148A is not required in following cases:

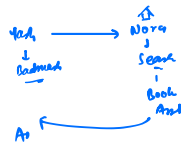


Note : Basically in above 3 cases, OOBH is not given, directly notice us 148 can be given.

From

01/09/2024

Search- Raid  
Regusihm. -



# SabkarLenge

### Section 148A - Procedure before issuance of notice u/s 148

(1) Where AO has information that the income has escaped assessment in R.A.Y he shall, before issuing any notice u/s 148

Serve SCN (providing OOBH) as to why notice u/s 148 should not be issued  
(+) Information suggesting that his Income has escaped assessment for R.A.Y

(2) On receipt of SCN, Assessee may furnish his reply within period specified in Notice

(3) With prior approval of specified authority (u/s 151) determining whether or not it is a fit case to issue notice u/s 148

AO shall, on the basis of material available (Record + Reply of Assessee)

→ pass an Order [ determining whether it is "a fit case to issue notice u/s 148" ]

(4) This Section shall not apply to Income which escaped assessment for any AY where AO received information under the scheme notified u/s 135A.

### What Changed in 148A ?

Aspect	Before 01/09/2024	After 01/09/2024
• Inquiry	Prior Approval → Inquiry → Notice	Prior Approval → <del>Inquiry</del> → Notice
• SCN	Min 7 days and Max 30 days to respond (extendable).	As AO may specify in the notice.
• Transparency of Information	Info suggesting Escaped Income NOT required to be shared with assessee.	AO must attach Info suggesting income has escaped assessment with the notice.
• Decision	within 1m from end of month in which reply was received or time expired.	No Specific Timeline
• 148A NA when	132 / 132A / 135A / BOA/Arms kisi aur ke ghar p	<del>132 / 132A / 135A / Book/AR</del>

Before

01/09/2024

# SabkarLenge

148A ✓

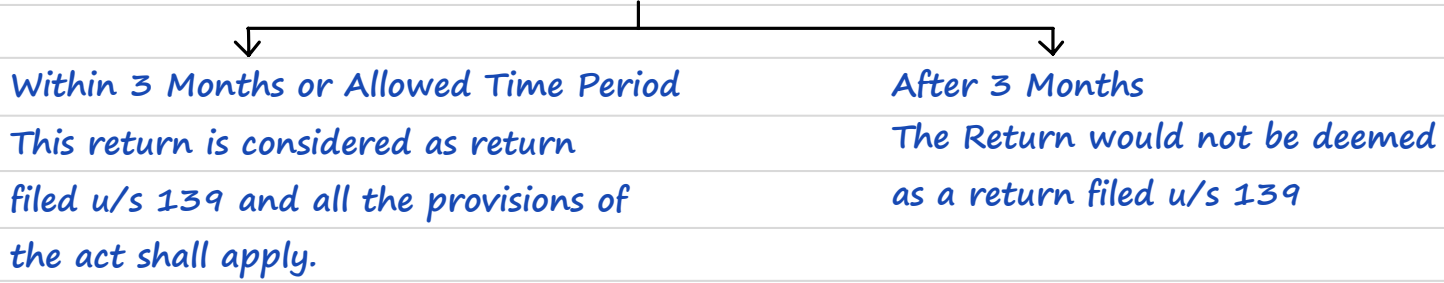
\*(R.A.Y- Relevant Assessment Year)

**Sec 148 - Issue of Notice where Income has Escaped Assessment**

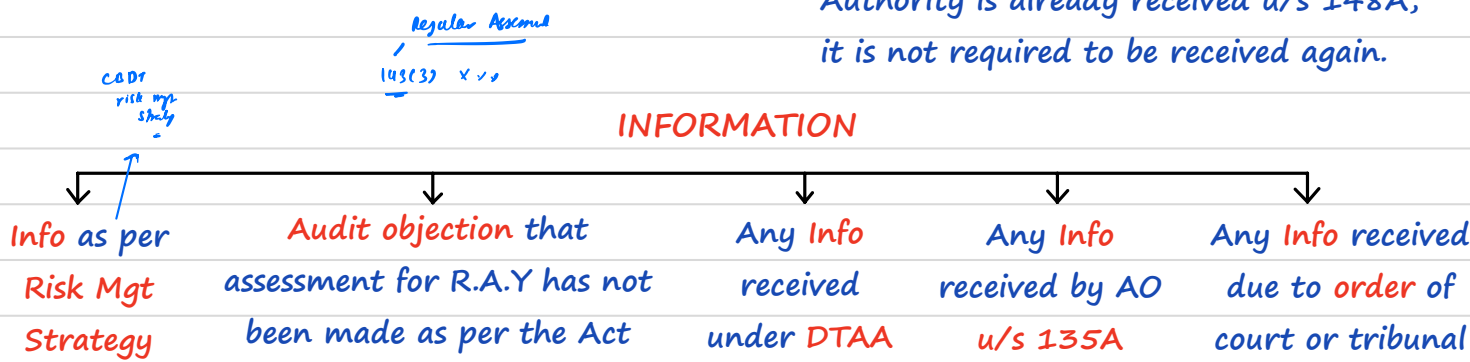
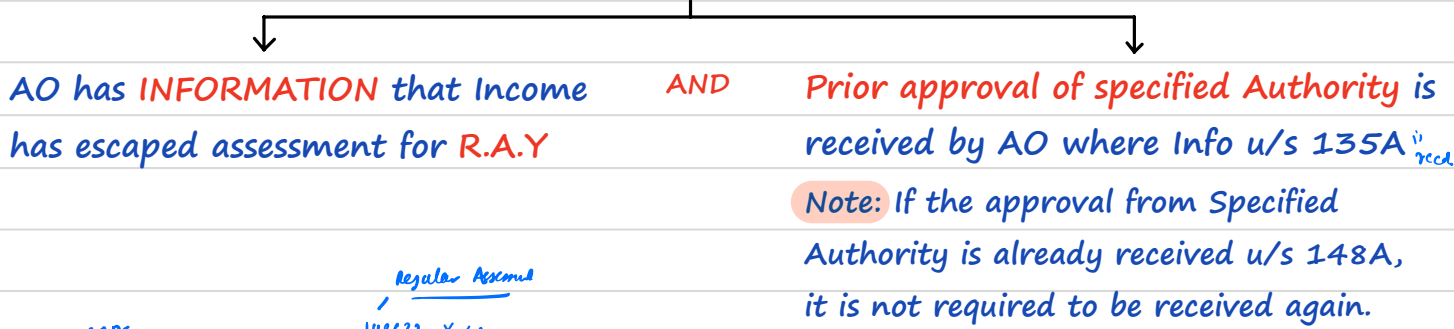
Before making Assessment u/s 147, AO has to serve notice to the assessee u/s 148, to file his return for the period mentioned in the notice.

↳ within 3 months from the end of month in which such notice is issued or any extended time period as allowed by AO.

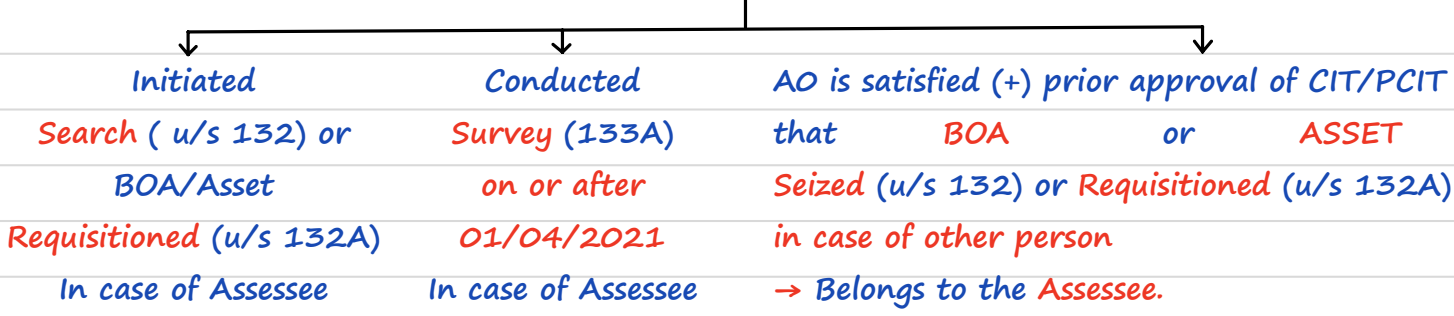
If the above Return is filed



Conditions: Notice can only be issued when -



**Cases Where AO shall be deemed to have INFORMATION**



## Section 148 - Issue of Notice where Income has Escaped Assessment

(1) Before making the **assessment** → AO shall, subject to Sec 148A  
**reassessment or recomputation** Issue **Notice** (+) **Copy of Order u/s 148A(3)**  
**u/s 147**

↓

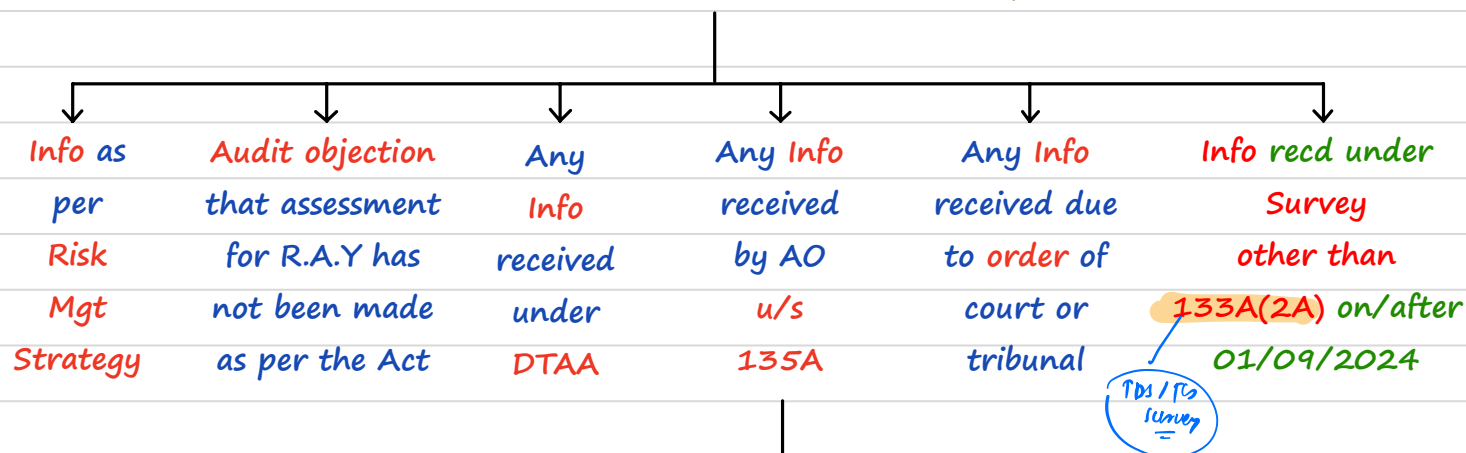
To file **ROI** within **3 months** from  
 the **end of the month** in which such notice is issued

## Note:

1. Notice shall be issued only when AO has Info that income has escaped assessment
2. If AO recd info under scheme notified u/s 135A, Issue notice with prior approval of the specified authority.

(2) Where ROI furnished is furnished within 3 months it shall be considered as ROI furnished u/s 139 and all the provisions shall apply accordingly.  
 ROI furnished after the expiry of the period specified in the notice shall not be deemed to be a return under section 139.

(3) Information with AO which suggests that income has escaped assessment means



## Note :

It is further provided that where AO has received Info under a scheme notified u/s 135A, no notice u/s 148 shall be issued without prior approval of specified authority.

135A - Info - prior approval karna padega

## What Changed in 148?

Aspect	Before 01/09/2024	After 01/09/2024
• Order accompanying the Notice	May include An Order u/s 148A(d)	MUST include An Order u/s 148A(3)
• Time Limit to furnish Return	3m from End of Month of issue of Notice or as Extended by AO	Period specified in Notice / Max 3m from End of Month of Issuance
• Survey Information	No reference to Info received under Surveys	Include Info from Surveys on / after 01/09/2024 excluding that u/s 133A(2A)
• <del>Prior Approval for Info u/s 135A</del>	<del>Not explicitly required</del>	<del>Requires Prior Approval of Specified Authority for Info received u/s 135A</del>
• AO shall be deemed to have Info	132 132A survey BOA/Asstch list aur ke glor mile	132 132A survey BOA/Asstch list aur ke glor mile

## Sec 148B - Prior approval for assessment, reassessment or recomputation in certain cases

No Amendment here!

Where Search u/s 132 is initiated or Survey is conducted u/s 133A in case of assessee (other than TDS/TCS survey)

then assessment or reassessment shall not be made by AO below the rank of JC,

except with the approval of JC/JD/  
Add.CIT/Add. DIT.

## Section 245 - Set-off and Withholding of Refunds in Certain Cases

### (1) Set-off of Refunds :

- Refunds due under the Act can be adjusted against any pending tax liability of the same person.
- The AO or CIT+P must notify the person in writing before such adjustment.

### (2) Withholding of Refunds :

Refunds (fully or partially) can be withheld if:

- Assessment or reassessment proceedings are pending for the person.
- The AO records the reasons in writing and gets prior approval from the CIT+P.
- Refunds can be withheld for up to 60 days from the start of such proceedings.

Before

01/09/2024

148 - 149

notice  
issue  
know  
to it

pu. 21-22  
↓  
A422-23 →

Volume 1  
Volume 2

# SabkarLenge

- Complete Book - 1 Book 4/23

PY 20-21  
AY - 21-22

31.3.22 → 24 → 31.3.23

56lac - 31.3.22  
1.4.21

Sec 149 - Time Limit for Notice - 148

Before 1.4.21

NEW PROVISION

OLD PROVISION

Normal → Upto 3 years from the end of Case Relevant Assessment Year

Normal Case → 4 years

Income Escaped → Upto 10 years from 50 Lacs or more the end of R.A.Y.

Escaped Income > 1 Lac → 6 years

V. Imp. Note: No Notice u/s 149 shall be issued on or after 01/04/2021 if:

It could not be issued as per the old provision because of expiry of the time limit.

i.e. 6 Years from the end of Relevant Assessment year.

↳ This note is not applicable where notice u/s section 153A or 153C is issued in relation to search u/s 132 or requisition 132A. → On or before 31.3.21

XX - Not relevant for year

3rd & 4th Proviso to Section 149: Where

- Search u/s 132 is initiated
- Search is completed u/s 132
- Requisition is made u/s 132A

31st March  
15th  
31st Mar

15th → 31st March

If any of the above is conducted after 15th March of any PY, then notice can be issued on or before 15th April of the next FY and the same is deemed to be issued on 31st March of such FY (in short additional 15 days are allowed to the AO for issue of notice u/s 149)

Notes

(1) To compute Period of Limitation u/s 149, exclude

- Time/ Extended time allowed to Assessee, as per SCN issued u/s 148A(b) or
- Period during which Proceeding u/s 148A is stayed by an Order/ Injunction of any Court

(2) Where immediately after the exclusion of the mentioned period

Period of limitation available to the AO for passing an order under section 148A(d)

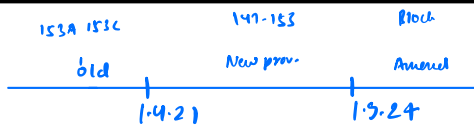
does not exceed seven days, such remaining period shall be extended to seven days and

Period of limitation under 149(1) shall be deemed to be extended accordingly.

[Sec 149(1A)]

Where Income represented as Asset/Exp w.r.t an Event/Occasion > Rs. 50L has escaped assessment in more than 1 A.Y, Notice u/s 148 shall be issued for each such AY

From 01/09/2024



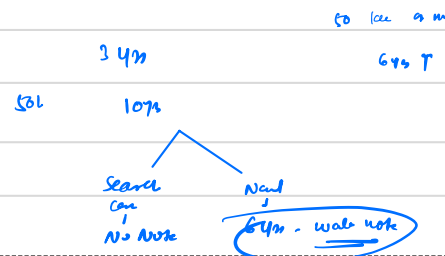
# SabkarLenge

Non SOL 3 Yrs 3  
SOL 10 Yrs 5 Yrs

Section 149 - Time limit for notices under sections 148 and 148A

Notice	Time Limit
under section 148	3 years and 3 months from end of the R.A.Y If Escaped Income $\geq$ 50 Lakhs, then 5 years and 3 months
under section 148A	3 years and <del>3 months</del> from end of the R.A.Y If Escaped Income $\geq$ 50 Lakhs, then 5 years and <del>3 months</del>

What Changed in 149?



Aspect	Before 01/09/2024	After 01/09/2024
• General Time Limit	3 Years (108) From the end of R.A.Y	Sec 148 - 3 Years AND 3 months Sec 148A - 3 Years From the end of R.A.Y
• Time Limit where Escaped Income $\geq$ 50L	Sec 148 - 10 Years Sec 148A - Not Specified	Sec 148 - 5 Years and 3 Months Sec 148A - 5 Years

Sec 150 - Assessment by the Order of Court

No Amendment here!

→ There will be no time limit for issue of notice u/s 148 if:

Notice is in consequence of order of:

Any court  
under any  
other law.

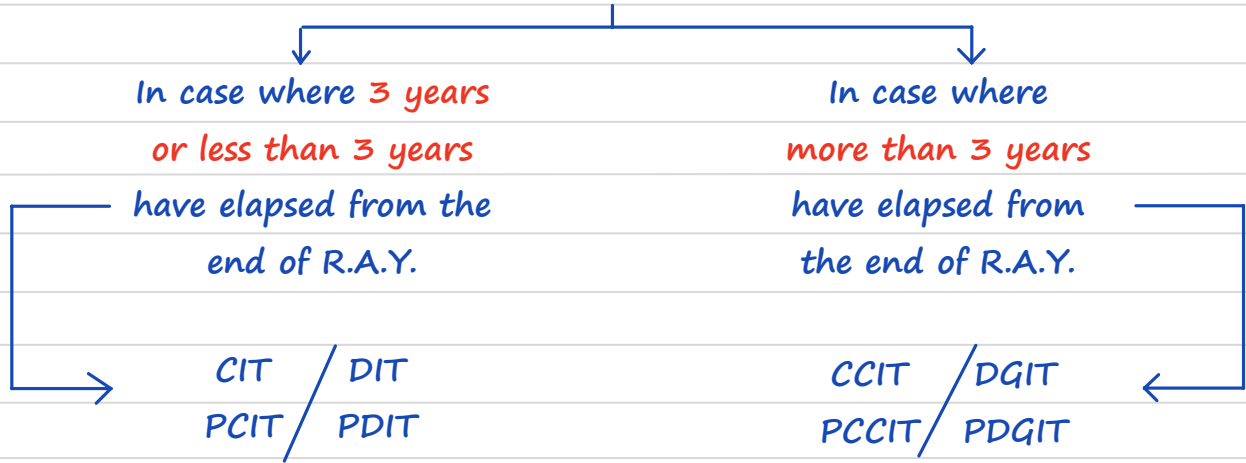
Any authority  
in an appeal,  
revision or reference.

Before

01/09/2024

Sec 151 - Sanction for Issue of Notice

Meaning of Specified Authority



Note: Period of 3 years should be considered after ignoring the additional 15 days provided to AO as mentioned above (shall be counted from 31st March of the R FY)

From

01/09/2024

Specified Authority for Section 148 and 148A shall be

JC/JD/Add. CIT Add. DIT - Ab badmaash & deal wali karna hai.

Sec 156 - Demand Notice

Where any tax/interest/fees/penalty or any other sum payable under the act due to any order, then A.O. Serves Demand Notice for Recovering the payment.

Sec 156A - Modification and Revision of notice in Certain Cases

Where demand notice has been issued u/s 156 → & demand is reduced due to order of the Adjudicating Authority(AA) under IBC, 2016,

↓  
AA - change - AO change  
↓  
NCLT/SC - AO change

then AO shall modify demand payable as per order of AA and shall thereafter serve a revised notice of demand on the assessee.

Where the order of AA is modified by the NCLT or the Supreme Court → the modified notice of demand as referred above, issued by the AO shall be revised accordingly.

## Sec 152 - Other Provisions

147

P4-19-20

20,00,000

1420-21

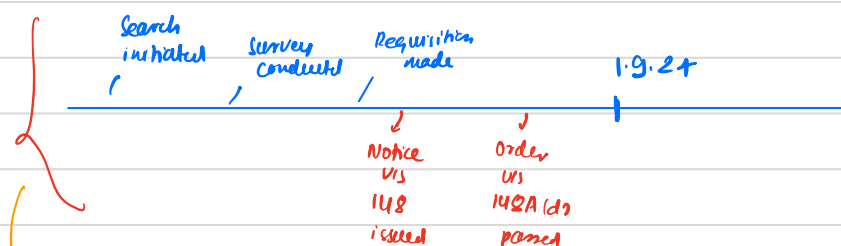
31.3.24

- (1) Tax Rates will be taken of the Respective **Assessment Year** in which Income is earned had the Income not Escaped Assessment.
- (2) Where the Assessment was re-opened u/s 147, Assessee may request to drop the Proceedings only when:
  - Assessee has **not impugned** (challenged) any part of Original Order by **Appeals** u/s 246 to 248 or **Revision** by Commissioner u/s 264
  - Showing that **he has been assessed** on amount **not <** rightly liable even if alleged Escaped Income was considered 22 20 Feb
  - Orders that **canNOT** be re-opened where concluded u/s **154, 155, 260, 262, 263**

Further as per Finance Act, 2024 the following was added with effect from 01/09/2024

- (3) Where a **Search** has been initiated u/s 132 or **Requisition** is made u/s 132A or a **Survey** is conducted u/s 133A [other than u/s 133A(2A)], on or after **01/04/2021** but before **01/09/2024** **Section 147 to 151** shall apply as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.

- (4) In cases other than u/ss (3),
  - a **Notice** u/s 148 has been issued or
  - an order u/s 148A(d) has been passed**Before 01/09/2024**, the assessment, reassessment or recomputation **Section 147 to 151** shall apply as they stood immediately before the commencement of the Finance (No. 2) Act, 2024.



In all these cases, old provisions from 147-151 shall apply.

## Sec 153 - Time Limit for Completion of Assessment, Reassessment & Recomputation

Case	Time Limit
For Sec 143(3)/144 AY. 19-20 & AY. 20-21	→ 12 months from end of A.Y. in which Income was assessed.
AY. 21-22	→ 9 months from the end of A.Y. in which Income was assessed.
AY 22-23 & thereafter	→ 12 months from the end of AY in which Income was assessed

→ Where updated return u/s 139(8A) is furnished, Assessment Order u/s 143(3)/144 shall be made within **12 months** from end of FY in which such return was furnished

→ 153(1B) - Where a return u/s 119(2)(b) is furnished, Assessment Order u/s 143/144 shall be made within **12 months** from end of FY in which such return was furnished

→ 153(3A) - When any assessment or reassessment is pending on date when search is commenced u/s 132 or making of requisition u/s 132A it shall be extended by **12 months**

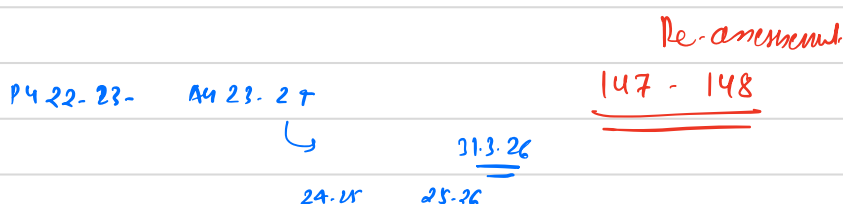
1420-21

→ 153(4) - If reference is made to TPO, additional 12 months time is available in all cases

Sec 147 → **12 months** from end of F.Y. in which notice was served

Note:

If limitation period ends before the month's end (after exclusions), it will be extended to the end of the month.



Conclusion - date when last of authorizations was executed.

(A/RA/RC) = Assessment/ Reassessment/ Recomputation

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### BLOCK ASSESSMENT

#### Special Procedure for Assessment of Search Cases

#### Section 158B - Definitions

(a) "block period" =

1. Preceding 6 AYs - PYs relevant to 6 AYs preceding P.Y. in which Search u/s 132 or Requisition u/s 132A was initiated.

(+)

2. Additional Period - includes period from 1st of April of PY in which Search/ Requisition was made to Date of conclusion\* of search or such requisition.

For example, if the search was initiated on 10-12-2024 and last of authorization executed on 18.12.2024, the block period will comprise of assessment years relevant to previous years 2023-24, 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 including period from 1st April 2024 to 18.12.24.

PY 24-25	PY 18-19
18.12.24	22-23
	21-22
	+ 20-21
	19-20
	18-19

(b) "undisclosed income" includes

- any money, bullion, jewellery or other valuable article or thing [BMWVT] or
- any expenditure/ income based on any entry in BOA/ Docs/ Transactions, where such BMWVT, entry in BOA/Docs/Transactions represents wholly or partly income/property which has not been or would not have been disclosed or
- any Incorrect Exp, Dedn or allowance claimed under this Act w.r.t block period.

#### Section 158BA - Assessment of Total Income as a result of search

(1) Applicability:

If Search u/s 132 or Requisition of BOA/Assets u/s 132A is initiated:

Before 1.9.24 & concluding on or after 1.9.24

On or After 1.9.24

Assessment will be done under Regular Provisions of the Act(Old)

AO will do Assessment of Total income of Block Period under Block Assessment.



Block period - PY 18-19 - 22-24 23-24 14933  
PY 20-21, PY 21-22 - (147)

### (2) Abatement of Pending Assessment & Transfer Pricing Cases

#### Pending Assessments

Any Assmt/Re-Assmt of AYs falling in block period which are Pending on Date of Initiation of Search or making of Requisition will be Abated.

#### Transfer Pricing Cases

If a 'Case referred to TPO(ALP)' or an 'order of TPO' is part of a pending Assmt proceeding during a search or requisition, Such Assmt/Reference/Order of TPO will also abate on the date of initiation.

Retul - Block Assmt - PY 25-26  
Search

### (3) Subsequent Searches:

If a new search/requisition occurs during a pending block assessment:

- The first(pending) assessment must be completed before starting the new one.
- If less than 3 months remain for completing the subsequent assessment, such period shall be extended to 3 months from end of month in which the earlier assessment was completed.

Retul - PY 18-19 - 23-24 - Block Assmt - 10.5.25 - 19.12.24  
Search - Block Assmt

### (4) Annulment of Cases:

If any proceeding initiated here or any Block assmt/re-assmt Order

has been annulled in appeal or any other legal proceeding

then

The ABATED Assessment/ Re-assessment Revives

Kab se? w.e.f date of receipt of order of such annulment by PCIT/CIT

Note: Revival shall cease to have effect if the annulment order is set aside.

### (5) Assessment of Income & Tax Calculation:

Total Income of Search/Reqn Year (excl. Undisclosed Income)

Taxable under Regular Provisions of the Act

1.4.24 - 18.12.24

Undisclosed Income of Block Period(6 Yrs)

Taxable at 60%+ Surcharge + cess

(irrespective of the years to which the income relates)

PY 18-19 - 22-24

Section 158BB - Computation of Total Income For the Block Period

(i) Total Income for the Block Period = Aggregate of:

30 labh (18)	5	7			
(a) Disclosed Income	+	(b) Assessed Income Prior to Search	+	(c) Other Disclosed Income	+
↓		↓		↓	
Income disclosed in ROI u/s 158BC		Income assessed u/s 143(3)/144/ 147 or u/s 153A/153C		Income declared in ROI u/s 139, 142(1), 148 [Not already covered in (i)/(ii)]	
1.4.24 - 18.12.24	2				
(d) Incomplete Prev. Year Income	+	(e) Undisclosed income			
↓		↓			
Income of PY which has not ended based on entries/trans. till the date of conclusion of Search/Reqsn.		Income found as Undisclosed during Search by AO			

→ Computation of Undisclosed Income:

Undisclosed income of the **block period** is determined as per section 158BA(1), and computed based on

- Evidence seized during the search or reqsn
- Material available with the AO
- Income recorded in the BOA

Notes:

- The tax on undisclosed income is calculated **after reducing disclosed income** under clauses (b), (c), and (d) above.
- **Losses declared** under (a), (b), (c), or (d) are **ignored** in computing undisclosed income.

→ B/f Losses & Unabsorbed Depreciation:

can not be set off against **undisclosed income of the block period.**

Can be c/f to **subsequent years** for set-off, subject to regular provisions and time limits.

1.4.24 - 18.12.24

1st SDT

(ii) Exclusion for International Transactions:

Evidence related to international or specified domestic transactions u/s 92CA found during the search relating to the Search Year is :

↳ excluded from block assessment and considered under Transfer Pricing provisions.

(iii) Special Provisions:

Special Provisions for Firms: For firms, income is assessed for each PY in the block period before allowing deductions for salary, interest, commission, or remuneration to partners (other than working partners).

- non-working partners ka kuch  
the names nahi hai

Application of Sections 68 to 69C: The provisions of sections 68, 69, 69A, 69B, and 69C apply to block assessments, with "financial year" interpreted as the relevant previous year within the block period.

F.Y.

Relevant P.Y. during the block period

Application of Sections 68 to 69C:

The provisions of sections 68, 69, 69A, 69B, and 69C apply to block assessments, with "financial year" interpreted as the relevant previous year within the block period.

Section 158BC - Procedure for Block Assessment

(i) Issuance of Notice:

For searches or requisitions initiated on or after 01.09.2024, → the AO will issue a notice to the person. (with prior approval from JC/JD/Add. CIT/ Add. DIT) → to furnish ROI within a specified period, not exceeding 60 days.

If ROI is filed

within period given in Notice

beyond period given in Notice

Deemed as ROI filed u/s 139

Not deemed as ROI filed u/s 139

Notice u/s 143(2) shall be issued thereafter

Notes:

- ROI must disclose Total income, incl. any undisclosed income, for the block period.
- No notice u/s 148 is needed for proceedings under this chapter.
- A person who submits ROI here can not file a revised return.

(ii) Computation of Total Income:

• The AO will calculate the **Total Income, incl. undisclosed income**, for the block period as per sec 158BB.

↳ The provisions of Sections 142, 143(2), 143(3), 144, 145, 145A, & 145B apply during this determination.

(iii) Assessment Process:

After determining the income, the AO will pass an assessment or reassessment order and compute the tax payable.

↳ **Sec 144C (DRP provisions) does not apply to such orders.**

→ **Sec 158BD Cases** : If the order of assmt/Reassmt is made u/s 158BD (for **Other persons**), the block period will be the same as that for the person originally searched u/s 132 or requisitioned u/s 132A.

P4. 18-19. 23-24 - 1.4.21 - 18.12.21

(iv) **Assets seized u/s 132 or requisitioned u/s 132A** will be dealt with as per **Sec 132B**.

(v) **Sec 143(1) [Summary Assmt] does not apply to ROIs filed under this Section.**



**Section 158BD - Undisclosed Income of any Other Person**

If the AO finds that undisclosed income belongs to someone **other than the person searched or requisitioned u/s 132 or 132A**,

→ the seized items (money, assets, documents, etc.) will be handed over to the AO who has jurisdiction over that other person

↓  
who will then assess it u/s 158BC, applying the block assessment provisions.

**Section 158BE - Time Limit for Completion of Block Assessment**

For Section 158BC

**12 months** from the end of the month in which the **search or requisition was completed.**

For Section 158BD (Other Person)

**12 months** from the end of the month in which the **notice u/s 158BC** (pursuant to sec 158BD) was **issued.**

Note : If Case is referred to TPO, Time Limit is Extended by **12 months**

2:00 - 4:00  
Test 2:00 - 4:20  
3:00 - 4:00  
3:00 - 4:00

Time waste hoga  
to exclude  
kon dega

153

# SabkarLenge

(i) Exclusions of the following periods from the Time Limits:

	Particulars	Commencing From	Ending on
(i)	Exclusion for Search/Requisition	Date of search (u/s 132) or requisition (u/s 132A)	Date when seized/reqsnd items are handed over to the jurisdictional AO. (not exceeding 180 Days)
(ii)	Stay by Order Injunction by Court	Date of Stay/ Injunction	Date when Stay or Injunction vacated
(iii)	Exchange of Info u/s 90/90A (DTAA)	Date of Reference or first of References	Date on which info Requested is last recd By PC/C or 1 Year (w.e. is less)
(iv)	Reopening/Rehearing (u/s 129)	Total Time Taken	Total Time Taken
(v)	Reference to Valuation Officer u/s 142A(1)	Date of Reference by AO	Date when Valuation Report recd by AO
(vi)	Direction from AO To Get Accounts Audited / Inventory Valued	Date of Direction	Last date when Assessee Is required to furnish Report of Audit or Inventory Valuation Or date of setting aside of Direction recd by PC/C
(vii)	Contravention Intimation (Sec 10) (21)/(22B)/(23A)/(23B)	Date of Intimation by AO to CG or Prescribed Auth.	Date on which Copy of Order Withdrawing Approval / Rescinding Notification recd by AO
(viii)	Ref to PC/C u/s 143(3) 2nd Proviso	Date of Reference by AO	Date of receipt of Order u/s 10(23) or 12AB(4)

(viii)	Impermissible Avoidance Agreement (IAA)	Date of Reference for Declaration as an IAA recd By PC/C	Date of Receipt of Order Or Direction u/s 144BA By AO
(ix)	Application for Advance Ruling	Date of application before AAR / BAR u/s 245Q(1).	Date of Order rejecting the application is recd by PC/C u/s 245R(3) or Date when the Advance Ruling is Pronounced is recd by the PC/C u/s 245R(7)



### Special Extensions:

#### Minimum Period of 60 Days:

After excluding periods mentioned above, if less than 60 days remain for the AO to make the assessment, the time is extended to 60 days.

#### Month-End Rule:

If the limitation period expires before the end of a month after considering exclusions and extensions, it is extended to the end of that month.

25th — 31st

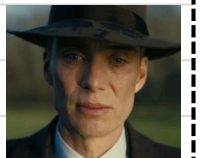
**Section 158BF - Certain interests and penalties not to be levied or imposed.**

No interest u/s 234A/B/C or penalty u/s 270A shall be levied or imposed on the assessee in respect of the undisclosed income assessed or reassessed for the block period.



**Section 158BFA - Levy of interest and penalty in certain cases.**

(i) Interest for Delay in Filing Return of Total Income (incl. Undisclosed Income) in response to Notice u/s 158BC:



Interest Rate: 1.5% per month or part

**Calculation Period:** Starts the day after the specified time in the notice expires.  
Ends on the date of assessment completion u/s 158BC.

**Applicability:** Interest is levied on the tax calculated on the undisclosed income.

(ii) **Penalty for Undisclosed Income:** 50% of tax on undisclosed income determined by the AO u/s 158BC.

(iii) **Immunity from Penalty:**

**Conditions for Immunity:**

- Return filed under section 158BC.
- Tax payable as per ROI is paid, or the seized money (if any) is adjusted against the tax.
- Proof of tax payment submitted with the return.
- No appeal filed against the part of the assessment relating to the declared income.

→ Immunity is not Available if: <sup>35</sup> <sub>30</sub>

Undisclosed income determined by AO > Undisclosed Income declared in the ROI.  
Penalty is imposed on the excess undisclosed income.

(iv) **Procedure to Impose Penalty:**

(a) Assessee must be give OOBH before imposing Penalty.

(b) In case of Penalties > ₹2 lakhs → AC/DC/AD/DD shall take prior permission from Add. CIT/Add. DIT/ JC/JD

(c) **Time Limits for Imposing Penalty Orders:**

If the assessment is under appeal/revision:

6 months from the end of the FY in which appeal/revision order is made.

If no appeal/revision:

FY when proceedings are completed.

OR

6 months from the end of the FY of in which penalty notice is issued.

## Exclusions in Limitation Period:

- Time for rehearing due to officer change (section 129).
- Time during which proceedings are stayed by a court.
- If the remaining time is <60 days, it is extended to 60 days.
- If the limitation ends before the month's end after an extension, it is extended to the month's end.

(v) A copy of the penalty order must be sent to the AO, unless the order is passed by the AO themselves.

Section 158BG - Authority competent to make assessment of block period.

The order of assessment for the block period shall be passed by AO not below the rank of a AC/DC/DD/AD (+) After Prior approval of Add. CIT / Add. DIT / JC/JD in respect of Search initiated or BOA/Docs/Assets requisitioned on or after 1/9/2024

