

Time limit u/s 153B

For 153A

21 months from the end of the FY in which the last of authorisation of search has been initiated u/s 132.

whichever
is later

153C

21 m from the end of the year in which the last of authorisation of search has been initiated

(or)

9m from the end of the FY in which the BOA or docs of such other person (Y in our example) is handed over to the respective Jurisdictional AO

153(5)

Order passed by
RA or AA -
Other than by
way of fresh
Assessment.

3m from End
of the month
in which the
Order has
been passed
or received.

153(6)

(i) Assessment made on
A/c or any person
in consequence to
order passed by
RA or AA
Otherwise than
by way of
appeal

12m from the
End of the
month in which
the order is
passed or
received.

(ii) Assessment made on
the partner of a
firm in consequence
of an Assessment
made on the firm
U/s 147.

12m from the
End of the month
in which the
Ass. order in
case of firm
is passed.

153(7) Transitional Provision - All Pending assessments
as on 1/6/16 - to be completed before 31/3/17

153(8) When Post Search
Assessment U/s 153A
got annulled and
abated assessment
got revived.

1 year from the
End of the month
of such revival.
(i) within sup 153
(ii) 153B (1) +
12.5.2017

of Assessment

Section

Details

Time Limit

153(1)

153(1) T.L. for completion
of Assessment
U/S 143(3) & 144

21 months from
the End of the FY
in which the
Income was first
Assessable.

153(2) T.L. for completion
of Assessment
U/S 147

* 9 months from the
End of the FY
in which notice
U/S 148 is served

153(3) Original Assessment
U/S 147 has been
set aside / Cancelled /
Referred back to

* Revisionary
Authority

9m from
the EOFY

in which

Order has been
Passed

* Appellate
Authority

9m from
the EOFY

in which

Order has
been made

153(4) where reference
& made to
transfer Pricing
officer dealing
the course of
proceeding
arising.

~~U/S 143(3) & 144~~ ~~U/S 147 & 148~~

143(3)

147

148

144

(153(1))

(153(2))

(153(3))

33m

21m

21m

from the
End of FY
in which

#

*

*

Income is
Assessable.

* Those amendments ~~pending~~ - relating to these S'n Ay pending on the date of search u/s 132 shall abate.

* But when the Post search order gets annulled - the abated amendments stand revived w.e.f the date of receipt of the order of such annulment by commissioner.

Sec. 153A. Assessment of Income of Another Person.

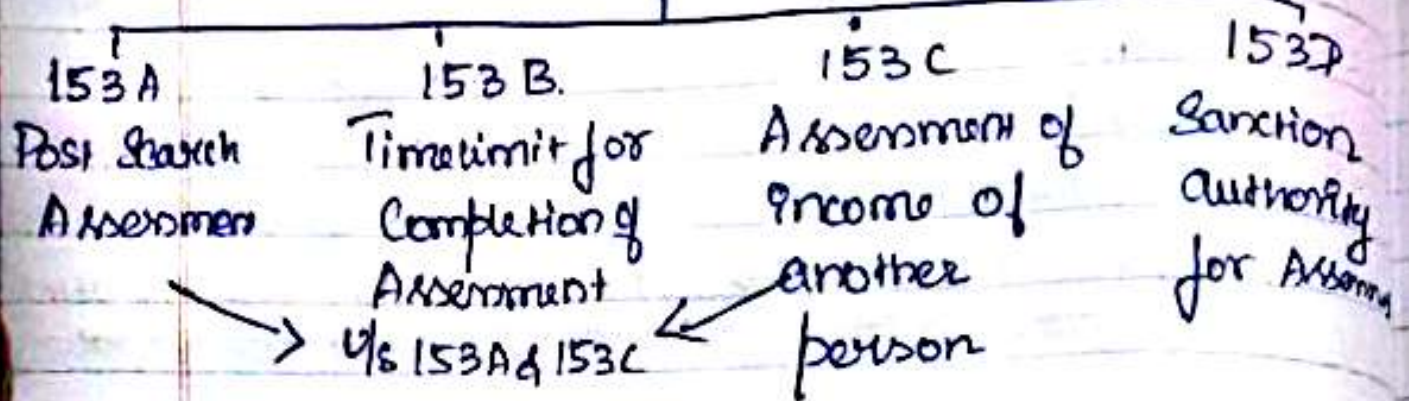
Say, search is initiated on Mr. X. While in search of Mr. X, AO gets details about Mr. Y; then the details documents, books, information, assets, of Mr. Y - seized, shall be handed over to the AO - having jurisdiction of Mr. Y.

That AO (of Mr. Y's jurisdiction) shall proceed against Y if he is satisfied that the seized documents / assets have a bearing on the total income of Mr. Y.

Time limit for this is also covered u/s 153B.

153D: Prior approval of JC required to pass an order u/s 153A/153B if he is below the rank of JC.

Sec. 153A Post Search Assessment



Sec. 153A Post Search Assessment

Notice - U/s 153A

★ Relevant date - Last of Authorisation for Search & Execution

When search is initiated U/s 132, the A. Officer shall

Issue notice to furnish ROI for 6 Ay immediately preceding the Ay of LAST.

Assess or re-assess the total income of 6 Ay immediately preceding the Ay relevant to Ay in which search was conducted.

PRELIMINARY TO POST SEARCH ASSESSMENT

Sec. 132 Search @ Sergeant

When the IT Authority has reasons to believe that (U/s 132)

A/c fails to furnish RoI after notice U/s 142(i) or U/s 132 is served.

IT Authority feels that even if such notice is issued he will not produce BOD or other documents.

If A/c Possess any undisclosed income or income not likely to be disclosed in RoI

Search can be initiated

U/s 131

But what happens after search?

Sec. 151 Permission from higher authority

Issue of notice u/s 148

Competent authority
satisfied by reasons
recorded u/s 148

Up to 4 years

Up to 4 years: AO below the
rank of JC

According to
JC officer

Beyond 4 yrs
up to 6 yrs

JC

- Chief Commissioner
- Principle chief commissioner
- Commissioner
- Principle Commissioner

Sec. 152 Tan rate & Circumstances in which Proceedings may be dropped

152(1)

Tan rate

Not made

that that year
that that rate

152(2)

Only one situation
Proceedings may be
dropped

When the something
is of no use to
the taxpayer

★ Sec. 150(2)



Over-rides Sec. 149 & 150(1)

~~In a situation where~~
150(1) will not apply in a situation where, any amendment as referred to that subsection relates to an Appeal in respect of which an amendment could not have been made at that time, the order of which was the subject matter of appeal as the case may be was made by any reason of any other provision limiting the time within which the action for Assessment / Reassessment / Re-computation may be made.

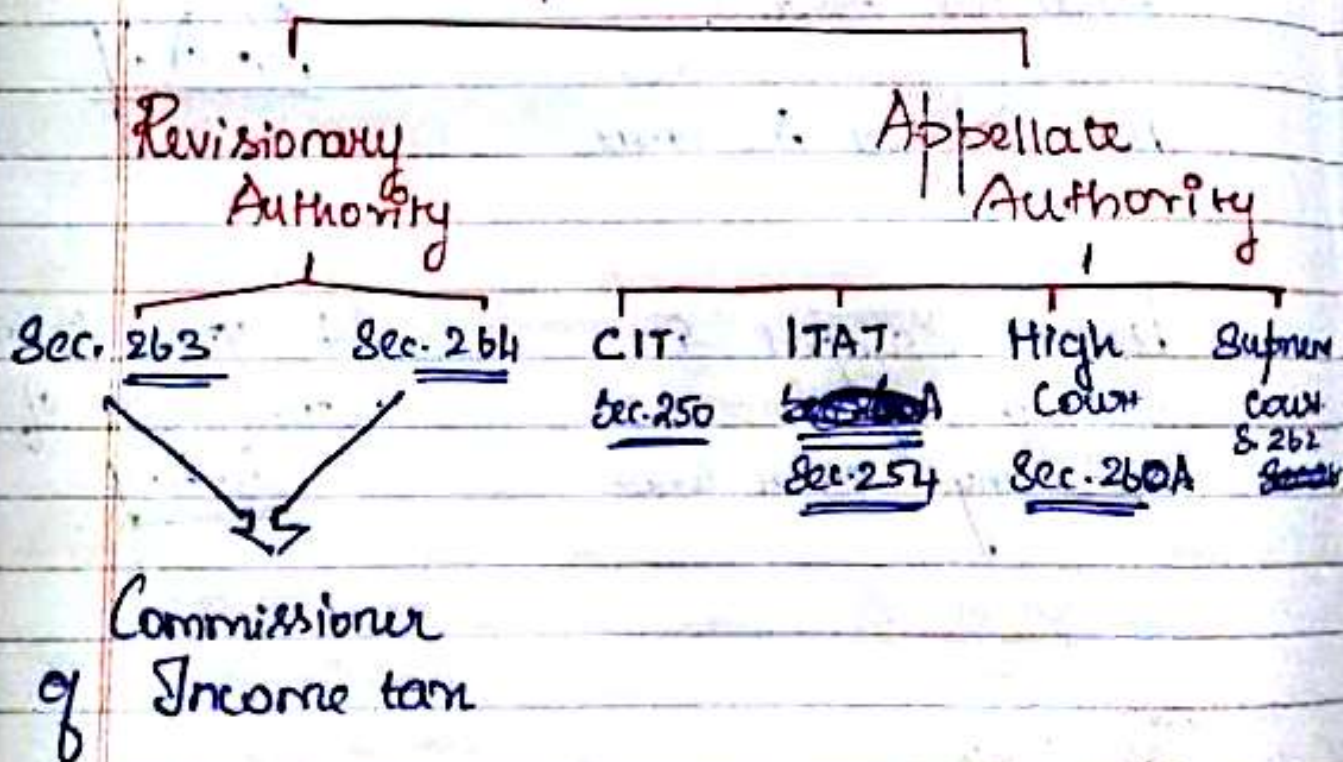
150(1)
150(2)

Sec. 150

Time limit u/s 149 - not applicable
in certain cases

★ Sec. 150(1)

Sec. 148 notice can be issued at any time for making amendment or re-computation to ~~order~~ give effect to any directions or findings of an order passed by any of the following authority



★ Also, any retrospective amendment provided in the IT Act - provided limit u/s 149(1) has not expired (for that amendment)

Sec. 149

Time Limit for Issue of
notice u/s 148

Situation

Time Limit

Income Escaped Assessment
in respect of Resident /
Agent of Non-Resident
Rs. 1 lakh or more

6 yrs from
the end of
R.A.Y.

Income in relation to
such assets (including
financial assets),
located outside India
has escaped Assessment

16 yrs from
the end of
R.A.Y.

Income Escaped in
respect of RESIDENT
in any other cases

4 yrs from
the end of
R.A.Y.



Note

These time limits are not
specified in certain cases & specified
in Section 150

Sec. 148 Notice for
Assessment u/s 147

- * For carrying out Income Escaping Assessment u/s 147, notice should be served u/s 148 to file ROI for RAY
- * Reason for issuing notice u/s 148 should be recorded and submitted to the Assesser.
[Same AO - should issue notice @ record reasons]
- * Separate notice u/s 148 - Issued for each AY in which income has escaped.
- * Similarly Assesser - to file separate ROI even if he had filed ROI already u/s 139 or u/s 142(i)(ii)
[But if there is no change - he can write to AO to treat the same ROI - as refiled]
- * If there is any Assessment Pending, Re-assessment cannot be made for the RAY - before the Pending are completed.

Sec. 147 Income Escaping Assessment

Why Income Escaping Assessment?

If the Assessing Officer



has

"Reasons to believe"

that any income has escaped assessment, he can

Assess or Re-Assess - any such income - that has escaped assessment.

* Reasons to believe

- (i) ROI - Not furnished O/s-139.
- (ii) ROI - furnished - not disclosed material facts
- (iii) Failure to furnish report u/s 92E
- (iv) ROI furnished - Assessment not made due to

Overstated
loss

Understated
income

Excess claim
of relief

(v) ROI furnished - Assessment made

but

(a) Income
under-assessed

(b) assessed
at low rate

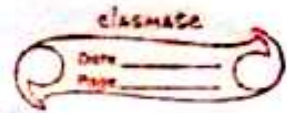
(c) claimed
Excess relief /
Excess loss /
Excess depn.

(d) Sc / law
retrospective
disallowing
expenses.

Step 6

Income Escaping

Assessment



147 - Income Escaping Assessment

148 - Notice for Assessment.
U/s 147.

149 - Time limit for issue of
Notice U/s 148

150 - Time limit (sec. 149) not
applicable in certain cases

151 - Permission from higher
Authority.

152 - Tax rate @ circumstances
in which Proceedings
can be dropped.

Assessee

Cooperating



As per the respective
Assessment
Procedure

Non cooperating



Assessment v/s
144
Best Judgement
Assessment

When can AO invoke BJA?

Circumstances

Sections.

- | | |
|--|---|
| (a) RoI not furnished | 139(1); 139(3); 139(4);
139(5) |
| (b) Not responding to
notice v/s | 142(1) or 143(2)
(Inquiry) (Scrutiny) |
| (c) Fails for order
notice v/s | 142(2A)
(Special audit) |
| (d) Not followed Prescribed
method of Accounting. | 145 A |
| (e) ICDs not followed | 145(2) |
| (f) AO not satisfied | with correctness
& completeness. |

Time Limit \Rightarrow 153(1)

Step-5

Scrutiny Assessment - Sec. 143(3)

Notice

↓
U/s 143(2)

Assessment

↓
U/s 143(3)

Time Limit: 6 months from the end of FY in which return is filed

As specified
U/s 153(1)

When can an Ao issue Notice U/s 143(2) ? → When he considers to ensure that, the Assessee

has not understated the income

has not overstated the loss

has not understated in any manner

Note

For Assessment in respect of University, college or other institutions U/s 35

↓
Ao - Satisfy himself - Activities are carried out in manner specified. If not - he shall

Report to CG

Report to Busc. Authority

Step-4: Sec. 143(i) Summary Assessment

Information u/s 143(i) - One Year from the end of the FY in which RoI is filed.

Why Summary Assessment?

- [BASIS]:
- i) Arithmetical Accuracy Error in RoI
 - ii) Incorrect claim Apparent from records.
 - iii) Addition of income in Form-16/16A/bills not included in computation of total income.

iv) Disallowance of

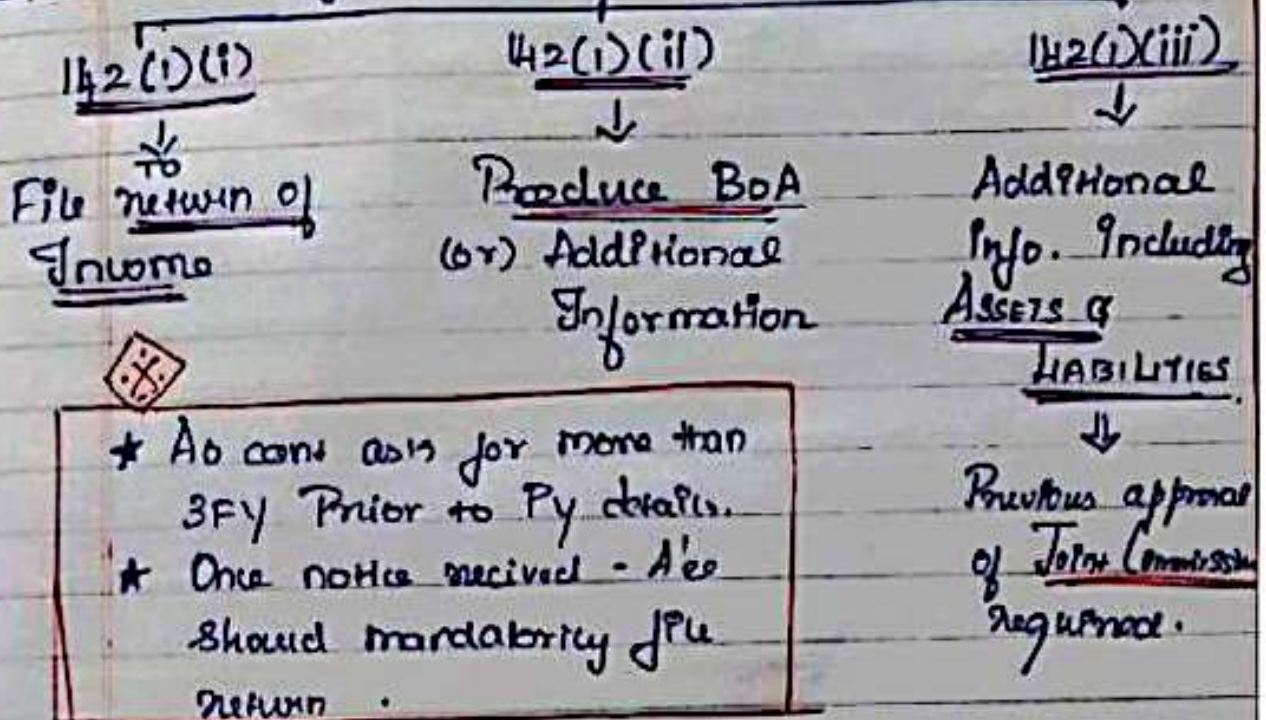
- | | | |
|--|---|---|
| <u>Loss</u> claimed but RoI filed beyond <u>due date</u> | <u>Expenditure</u> indicated in <u>Audit report</u> but not taken into account for <u>computation of total income</u> | <u>Deduction</u> claimed u/s 16AA/80-1A, 1B, 1C, 1D, 1E - <u>if return filed beyond due date.</u> |
|--|---|---|

Flow of sections.

Step-1. 139 - Assesses JPLs return of Income

Step-2. 142(i) - Inquiry before Assessment.
[Preliminary step from the department before taking up any Assessment.]

Step-3. Issuing notice u/s 142(i) - Inquiry



For Inquiry Before Assessment - Ao has 4 Preliminary Powers.

