

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 2285
ANSWERED ON-16.03.2021

Time-limit for issuing notices under CBDT Act

2285 # Shri Shaktisinh Gohil:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Comptroller and Auditor General of India (CAG) has asked Government to impose a time-limit for issuing notices under Section 153A/ 153C of Central Board of Direct Taxes (CBDT) Act; and
- (b) if so, the steps taken in this direction ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

- (a) Yes Sir, Comptroller and Auditor General of India in its Report No. 14 of 2020 on the subject “Performance Audit on Search & Seizure Assessments in Income Tax Department” has recommended as follow:

“Para 2.4.2 - Audit reiterates that the CBDT may introduce a time limit for issuing notice under amended section 153A/153C.”

- (b) In the Finance Bill, 2021, it has been proposed that the provisions of sections 153A or 153C of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) shall be discontinued and will not apply to searches conducted u/s 132 of the Act or requisition made under section 132A of the Act on or after 01.04.2021. Assessment proceedings of such cases (in searches conducted u/s 132 of the Act or requisition made under section 132A of the Act on and after 01.04.2021), which were earlier assessable under sections 153A and 153C of the Act, shall be made under the section 147 of the Act, which deals with reassessment of income escaping assessment.

As per the proposed amendment, a notice under section 148 of the Act can be issued within three years from the end of the relevant assessment year. However, if the income escaping assessment, in the form of an asset, is or is likely to be rupees fifty lakh or more, notice under section 148 of the Act can be issued up to 10 years from the end of the relevant assessment year.
