

## **Time limit for completion of assessments and reassessments**

**153.** (1) No order of assessment shall be made under section 143 or section 144 at any time after the expiry of—

- (a) two years from the end of the assessment year in which the income was first assessable ; or
- (b) one year from the end of the financial year in which a return or a revised return relating to the assessment year commencing on the 1st day of April, 1988, or any earlier assessment year, is filed under sub-section (4) or sub-section (5) of section 139, whichever is later.

**Provided** that in case the assessment year in which the income was first assessable is the assessment year commencing on or after the 1st day of April, 2004 but before the 1st day of April, 2010, the provisions of clause (a) shall have effect as if for the words “two years”, the words “twenty-one months” had been substituted :

**Provided further** that in case the assessment year in which the income was first assessable is the assessment year commencing on or after the 1st day of April, 2005 but before the 1st day of April, 2009 and during the course of the proceeding for the assessment of total income, a reference under sub-section (1) of section 92CA—

- (i) Was made before the 1st day of June, 2007 but an order under sub-section (3) of that section has not been made before such date; or
- (ii) Is made on or after the 1st day of June, 2007,

The provisions of clause (a) shall, notwithstanding anything contained in the first proviso, have effect as if for the words “two years”, the words “thirty-three months” had been substituted:

**Provided also** that in case the assessment year in which the income was first assessable is the assessment year commencing on the 1st day of April, 2009 or any subsequent assessment year and during the course of the proceeding for the assessment of total income, a reference under sub-section (1) of section 92CA is made, the provisions of clause (a) shall, notwithstanding anything contained in the first proviso, have effect as if for the words "two years", the words "three years" had been substituted.

(1A) No order of assessment shall be made under section 115WE or section 115WF at any time after the expiry of twenty-one months from the end of the assessment year in which the fringe benefits were first assessable.

(1B) No order of assessment or reassessment shall be made under section 115WG after the expiry of nine months from the end of the financial year in which the notice under section 115WH was served.

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(2) No order of assessment, reassessment or recomputation shall be made under section 147 after the expiry of one year from the end of the financial year in which the notice under section 148 was served :

**Provided** that where the notice under section 148 was served on or after the 1st day of April, 1999 but before the 1st day of April, 2000, such assessment, reassessment or recomputation may be made at any time up to the 31st day of March, 2002:

**Provided further** that where the notice under section 148 was served on or after the 1st day of April, 2005 but before the 1st day of April, 2011, the provisions of this sub-section shall have effect as if for the words “one year”, the words “nine months” had been substituted

**Provided also** that where the notice under section 148 was served on or after the 1st day of April, 2006 but before the 1st day of April, 2010 and during the course of the proceedings for the assessment or reassessment or recomputation of total income, a reference under sub-section (1) of section 92CA—

- (i) Was made before the 1st day of June, 2007 but an order under sub-section (3) of that section has not been made before such date; or
- (ii) Is made on or after the 1st day of June, 2007,

The provisions of this sub-section shall, notwithstanding anything contained in the second proviso, have effect as if for the words “one year”, the words “twenty one months” had been substituted:

**Provided also** that where the notice under section 148 was served on or after the 1st day of April, 2010 and during the course of the proceeding for the assessment or reassessment or recomputation of total income, a reference under sub-section (1) of section 92CA is made, the provisions of this sub-section shall, notwithstanding anything contained in the second proviso, have effect as if for the words "one year", the words "two years" had been substituted

(2A) Notwithstanding anything contained in sub-sections (1) , (1A), (1B) and (2), in relation to the assessment year commencing on the 1st day of April, 1971, and any subsequent assessment year, an order of fresh assessment in pursuance of an order under section 250 or section 254 or section 263 or section 264, setting aside or cancelling an assessment, may be made at any time before the expiry of one year from the end of the financial year in which the order under section 250 or section 254 is received by the [Principal Chief Commissioner or]<sup>1</sup> Chief Commissioner or [Principal Commissioner or]<sup>2</sup> Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Chief Commissioner or]<sup>3</sup> Chief Commissioner or [Principal Commissioner or]<sup>4</sup> Commissioner:

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<sup>1</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>2</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>3</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>4</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

**Provided** that where the order under section 250 or section 254 is received by the [Principal Chief Commissioner or]<sup>5</sup> Chief Commissioner or [Principal Commissioner or]<sup>6</sup> Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Chief Commissioner or]<sup>7</sup> Chief Commissioner or [Principal Commissioner or]<sup>8</sup> Commissioner, on or after the 1st day of April, 1999 but before the 1st day of April, 2000, such an order of fresh assessment may be made at any time up to the 31st day of March, 2002 :

**Provided further** that where the order under section 254 is received by the [Principal Chief Commissioner or]<sup>9</sup> Chief Commissioner or [Principal Commissioner or]<sup>10</sup> Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Commissioner or]<sup>11</sup> Commissioner on or after the 1st day of April, 2005 but before the 1st day of April, 2011, the provisions of this sub-section shall have effect as if for the words —one year||, the words —nine months|| had been substituted:

**Provided also** that where the order under section 254 is received by the [Principal Chief Commissioner or]<sup>12</sup> Chief Commissioner or [Principal Commissioner or]<sup>13</sup> Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Commissioner or]<sup>14</sup> Commissioner on or after the 1st day of April, 2006 but before the 1st day of April, 2010, and during the course of the proceedings for the fresh assessment of total income, a reference under sub-section (1) of section 92CA—

- (i) Was made before the 1st day of June, 2007 but an order under sub-section (3) of section 92CA has not been made before such date; or
- (ii) Is made on or after the 1st day of June, 2007,

The provisions of this sub-section shall, notwithstanding anything contained in the second proviso, have effect as if for the words —one year, the words —twenty-one months had been substituted.

**Provided also** that where the order under section 254 is received by the [Principal Chief Commissioner or]<sup>15</sup> Chief Commissioner or [Principal Commissioner or]<sup>16</sup> Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the [Principal Commissioner or]<sup>17</sup> Commissioner on or after the 1st day of April, 2010, and during the course of the proceeding for the fresh assessment of total income, a reference under sub-section (1) of section 92CA is made, the provisions of this sub-section shall, notwithstanding anything contained

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<sup>5</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>6</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>7</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>8</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>9</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>10</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>11</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>12</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>13</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>14</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>15</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>16</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>17</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

in the second proviso, have effect as if for the words "one year", the words "two years" had been substituted.

(3) The provisions of sub-sections (1) , (1A), (1B) and (2) shall not apply to the following classes of assessments, reassessments and recomputations which may, subject to the provisions of sub-section (2A), be completed at any time—

(i) [\*\*\*]

(ii) where the assessment, reassessment or recomputation is made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 250, 254, 260, 262, 263, or 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act ;

(iii) where, in the case of a firm, an assessment is made on a partner of the firm in consequence of an assessment made on the firm under section 147.

(4) Notwithstanding anything contained in the foregoing provisions of this section, sub-section (2) of section 153A and sub-section (1) of section 153B, the order of assessment or reassessment, relating to any assessment year, which stands revived under sub-section (2) of section 153A, shall be made within one year from the end of the month of such revival or within the period specified in this section or sub-section (1) of section 153B, whichever is later.

Explanation 1.—In computing the period of limitation for the purposes of this section—

(i) the time taken in reopening the whole or any part of the proceeding or in giving an opportunity to the assessee to be re-heard under the proviso to section 129, or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court, or

(iia) the period commencing from the date on which the Assessing Officer intimates the Central Government or the prescribed authority, the contravention of the provisions of clause (21) or clause (22B) or clause (23A) or clause (23B) or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, under clause (i) of the proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order withdrawing the approval or rescinding the notification, as the case may be, under those clauses is received by the Assessing Officer,] or\*

(iii) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and--

(a) ending with the last date on which the assessee is required to furnish a report of such audit under that sub-section; or

(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the [Principal

Commissioner or]<sup>18</sup> Commissioner, or

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<sup>18</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

- (iv) [\* \* \*]
- (iva) the period not exceeding sixty days commencing from the date on which the Assessing Officer received the declaration under sub-section (1) of section 158A and ending with the date on which the order under sub-section (3) of that section is made by him, or
- (v) in a case where an application made before the Income-tax Settlement Commission under section 245C is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which such application is made and ending with the date on which the order under sub-section (1) of section 245D is received by the [Principal Commissioner or]<sup>19</sup> Commissioner under sub-section (2) of that section, or
- (vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the [Principal Commissioner or]<sup>20</sup> Commissioner under sub-section (3) of section 245R, or
- (vii) the period commencing from the date on which an application is made before the Authority for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the [Principal Commissioner or]<sup>21</sup> Commissioner under sub-section (7) of section 245R, or
- (viii) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the [Principal Commissioner or]<sup>22</sup> Commissioner or a period of one year, whichever is less, or
- (ix) [\*\*\*]
- (ix) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the [Principal Commissioner or]<sup>23</sup> Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under subsection (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the Assessing Officer, shall be excluded :

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<sup>19</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>20</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>21</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>22</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

<sup>23</sup> Substituted w.e.f June 1<sup>st</sup>, 2013

**Provided** that where immediately after the exclusion of the aforesaid time or period, the period of limitation referred to in sub-sections (1), (1A), (1B), (2), (2A) and (4) available to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

**Provided further** that where a proceeding before the Settlement Commission abates under section 245HA, the period of limitation available under this section to the Assessing Officer for making an order of assessment, reassessment or re-computation, as the case may be, shall, after the exclusion of the period under sub-section (4) of section 245HA, be not less than one year; and where such period of limitation is less than one year, it shall be deemed to have been extended to one year; and for the purposes of determining the period of limitation under sections 149, 153B, 154, 155, 158BE and 231 and for the purposes of payment of interest under section 243 or section 244 or, as the case may be, section 244A, this proviso shall also apply accordingly.

Explanation 2.—Where, by an order referred to in clause (ii) of sub-section (3), any income is excluded from the total income of the assessee for an assessment year, then, an assessment of such income for another assessment year shall, for the purposes of section 150 and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order.

Explanation 3.—Where, by an order referred to in clause (ii) of sub-section (3), any income is excluded from the total income of one person and held to be the income of another person, then, an assessment of such income on such other person shall, for the purposes of section 150 and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order, provided such other person was given an opportunity of being heard before the said order was passed.