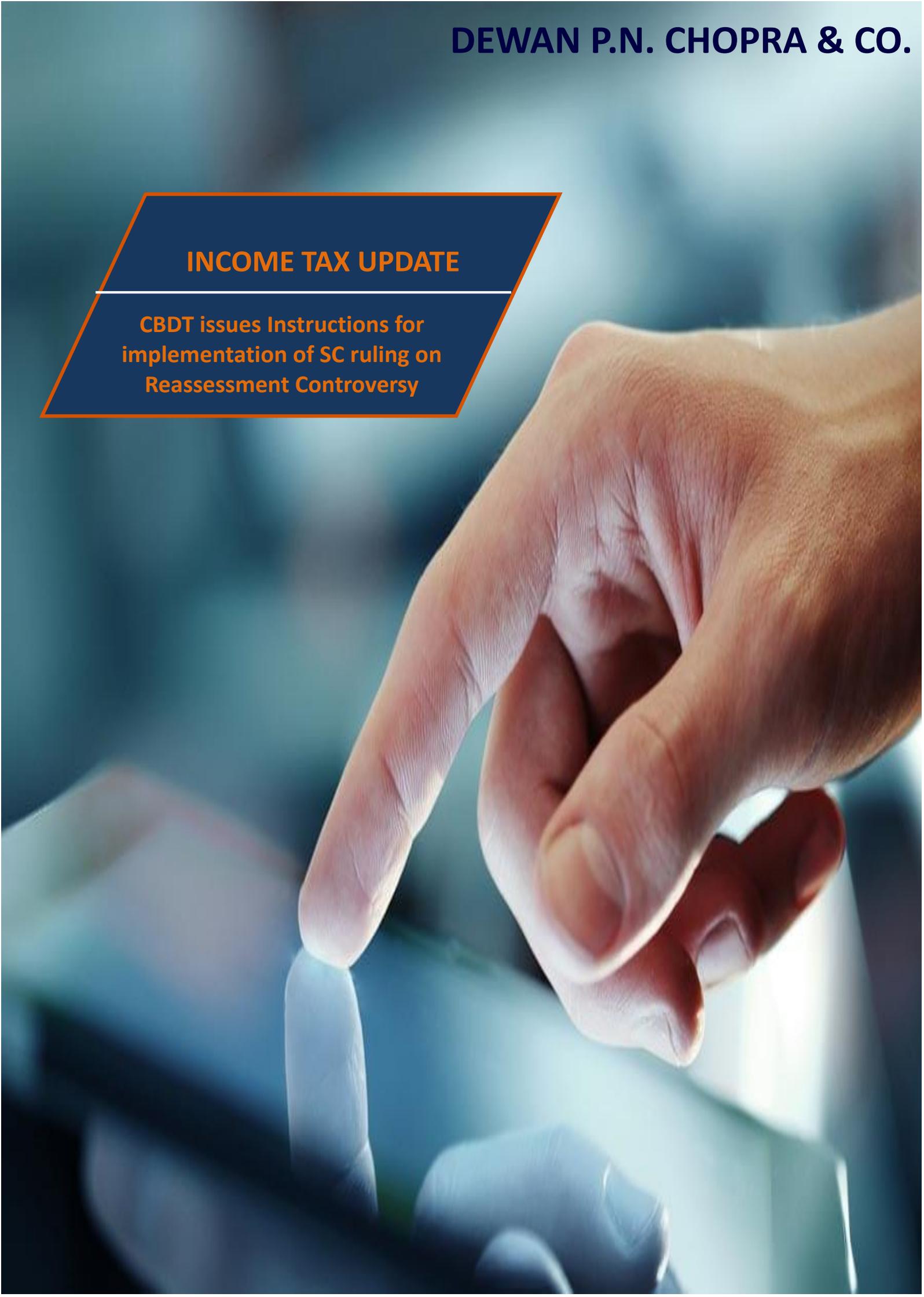


INCOME TAX UPDATE

**CBDT issues Instructions for
implementation of SC ruling on
Reassessment Controversy**



**CBDT issues Instructions for
implementation of SC ruling on
Reassessment Controversy**

CBDT, in exercise of powers under Section 119 issued Instruction No. 1 of 2022 for implementation of SC ruling in [Ashish Agarwal](#) regarding the reassessment notices issued between 01.04.2021 to 30.06.2021; Explains the scope of the judgment and lays down the procedure to be followed by the AOs. Some main points of the said instruction inter alia include the following:

- **Hon'ble SC Judgement to be applied to all cases** where extended reassessment notices have been issued irrespective of the fact

whether such notices have been challenged or not.

- Decision of Hon'ble SC read with the time extension provided by TOLA will allow extended reassessment notices to travel back in time to their original date when such notices were to be issued and then new section 149 of the Act is to be applied at that point.
- **For AY 2013-14, AY 2014-15 & AY 2015-16:** Fresh notice u/s 148 can be issued, with the approval of specified authority, only if the case falls under clause (b) section 149(1) as amended by the Finance Act 2021 i.e. **notices cannot be issued for AY 2013-14, AY 2014-15 & AY 2015-16, if the income**

escaping assessment, amounts to or likely to amount to less than INR 50 Lacs. Further, it is clarified that information and material which was required to be provided as per the Hon'ble SC Judgement, may not be provided in the said cases where income escaping is less than INR 50 lacs for AY 2013-14, AY 2014-15 & AY 2015-16 as no fresh notices u/s 148 will be issued in such cases.

- **For AY 2016-17, AY 2017-18:** Fresh notices u/s 148 can be issued, with the approval of specified authority, under section 149(1)(a), since they are within the period of three years from the end of the relevant assessment year.

- CBDT also prescribed the procedure to be followed by the Jurisdictional AO to comply with the Hon'ble SC Judgement which inter alia includes the following:

(i) AO shall provide the information and material relied upon within 30 days i.e. by 2nd June 2022

(ii) Assessee has to reply within two weeks from date of last communication of information and material by the AO to the assessee.

(iii) More time can be provided by the AO on merit as per Section 148A(b) if the assessee makes a request by making an application.

(iv) After receiving the reply, the AO shall pass the order u/s 148A(d) within one month

from the end of the month in which reply is received.

- (v) If the case is fit for issuance of notice u/s 148, the AO shall serve notice u/s 148 along with the order of 148A(d) to the assessee. Otherwise, only order u/s 148A(d) shall be served to the assessee.

For details, please refer CBDT Instruction No. 01/2022 dated 11th May,2022 at link below :-

<https://bit.ly/3PgmpqD>

DISCLAIMER:

The information contained herein is in summary form based on interpretation of CBDT Instruction No. 01/2022 dated 11th May,2022. While the information is believed to be accurate to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of this information. Reader should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. This document is not an offer, invitation, advice or solicitation of any kind. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.