



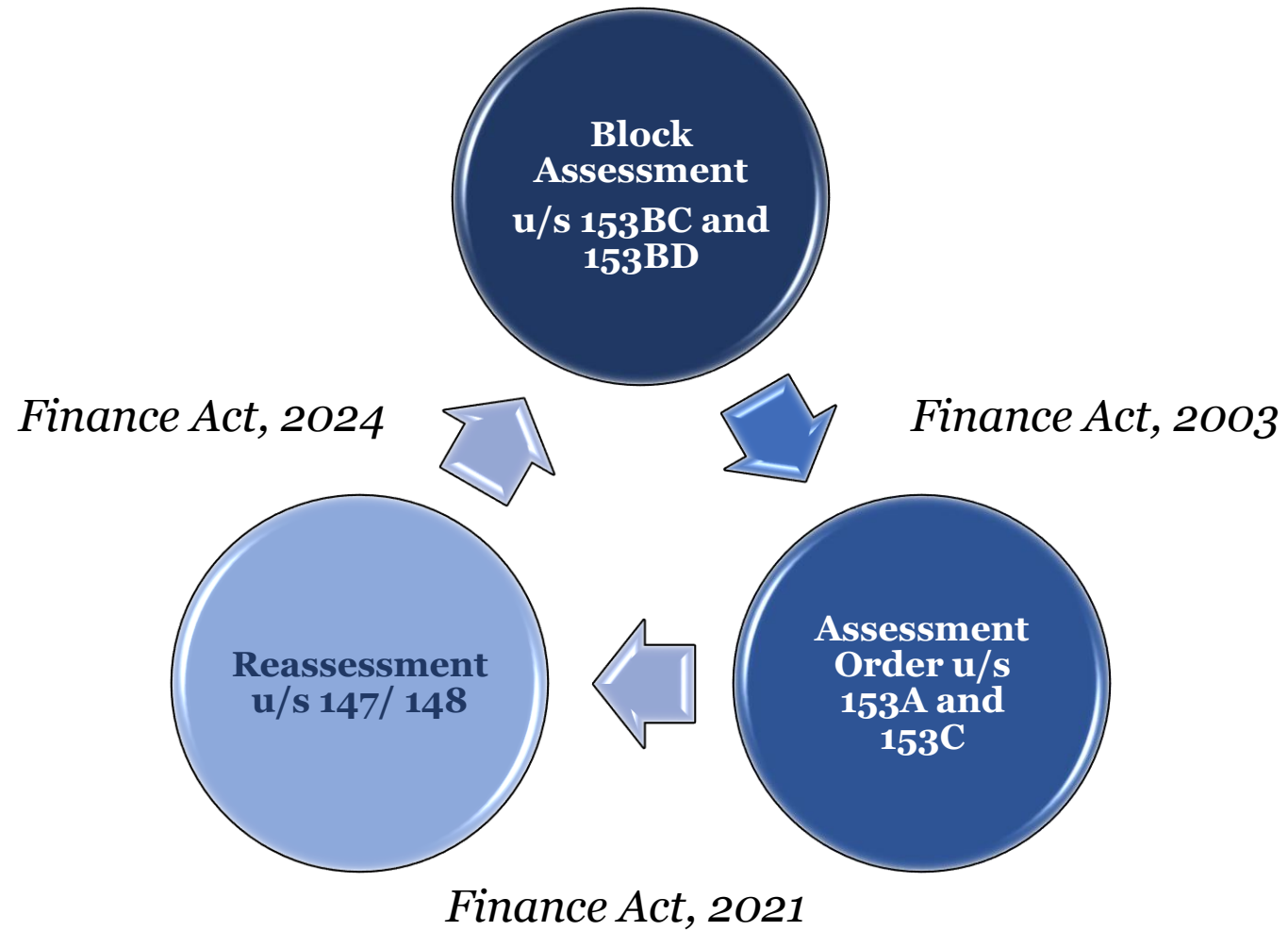
BUDGET 2024 –

***REINTRODUCTION OF ‘BLOCK ASSESSMENT’ IN SEARCH
CASES***



VIPIN GUJARATHI & ASSOCIATES

Historic Cycle



CHAPTER XIV-B : SPECIAL PROCEDURE FOR ASSESSMENT OF SEARCH CASES

For search conducted or books of accounts requisitioned on or after 1st September 2024.

SECTION 158B - DEFINITIONS

Block period

Undisclosed Income

**Deemed last
authorization execution**

SECTION 158BA – ASSESSMENT OF TOTAL INCOME AS A RESULT OF SEARCH

Assessment as a block period

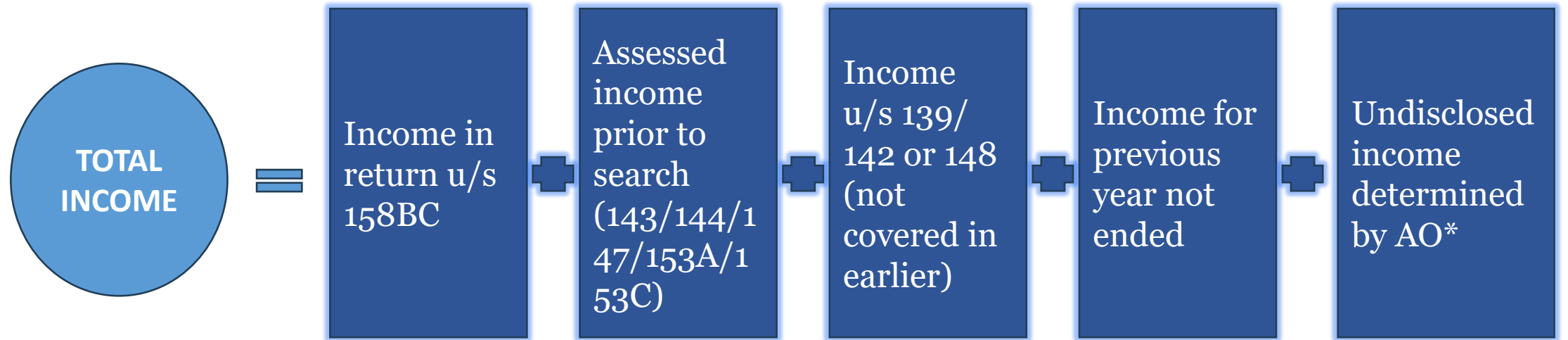
Abatement of assessment /
reassessment proceedings
for block

Pending assessment from
previous search to be
completed first

Extended time limit if less
than 3 months available

Rate of tax as per section 113,
irrespective of year to which
income relates

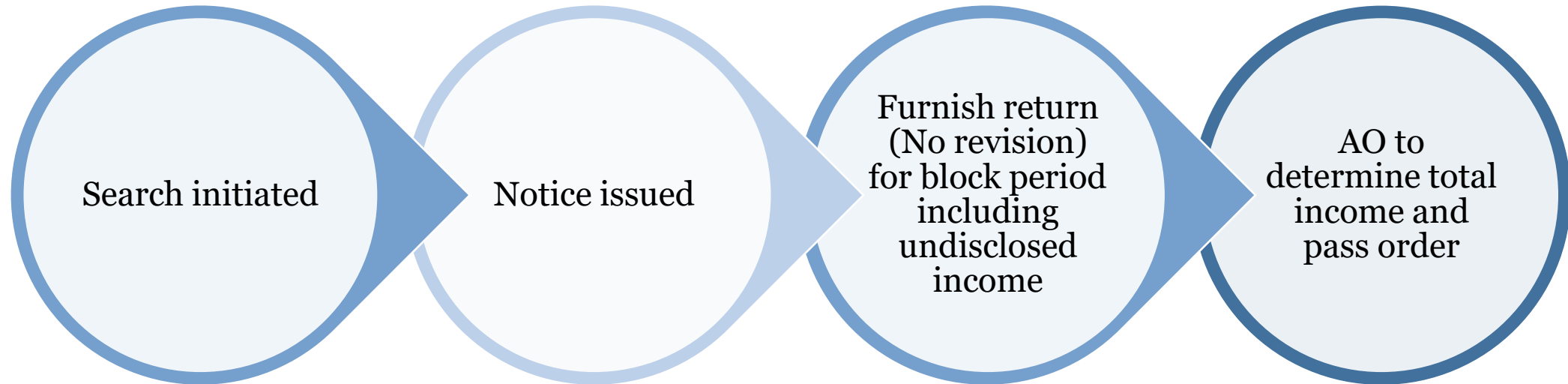
SECTION 158BB – COMPUTATION OF TOTAL INCOME OF BLOCK PERIOD



*On the basis of evidence found as a result of search or survey or requisition of books of account or other documents and such other materials or information as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter.



SECTION 158BC- PROCEDURE FOR BLOCK ASSESSMENT



Order u/s 158BC to be passed within 12 months from end of month in which last of authorisations for search was made (with some period of exclusions)

- 1. Similar procedure to be followed for undisclosed income belonging/ pertaining to any other person*
- 2. No option of filing objections before DRP in such cases. However, appeal may be filed before CIT(A)*

TAX RATE, INTERESTS AND PENALTIES

- Tax at 60% on 'total income'
- Surcharge applicable – However, rate not yet notified
- No interest under section 234A, 234B or 234C
- No penalty under section 270A
- Penalty at 50% of tax leviable on undisclosed income determined by AO
- No penalty u/s 271AAD (penalty for false entry in books of accounts), 271D (Penalty for violation of section 269SS) , 271DA (Penalty for violation of section 269ST) and 271E (Penalty for violation of section 269T) subject to conditions
- Waiver of above penalties not available if undisclosed income determined by assessing officer is in excess of returned income
- Reasonable opportunity of being heard to be given to assessee
- Previous approval of Additional Commissioner or Additional Director or Joint Commissioner or Joint Director needed for levying penalty > INR 2 lakhs

SUMMARY - SALIENT FEATURES

- Order for consolidated period
- Block = 6 previous years + YTD
- No parallel proceedings
- Assessment of 'total income'
- Assessment in case of other than searched person
- Tax at 60%, no interest u/s 234A, 234B, 234C or penalty u/s 270A
- Penalty on the undisclosed income at fifty per cent of the tax payable

THANK YOU

