

Time limit for completion of assessment, reassessment, recomputation

New Income Tax Act Vs. Old Act

Rano Jain Legal

ranojain@ranojainlegal.com

Find us at ranojainlegal.com

Income Tax Act

New v. Old

Income Tax Act, 1961		Income Tax Act, 2025		Remark
Section		Section		
153	Time limit for completion of assessment, reassessment and recomputation.	286	Time limit for completion of assessment, reassessment and recomputation	
153(1)	<p>No order of assessment shall be made under section 143(Assessment) or section 144(Best Judgement) at any time after the expiry of twenty-one months from the end of the assessment year in which the income was first assessable.</p> <ul style="list-style-type: none"> • For AY commencing after 01.04.2018: 18 months will be substituted. • For AY commencing after 01.04.2019 & 2020: 12 months will be substituted. • For AY commencing after 01.04.2021: 9 months will be substituted. • For AY commencing after 01.04.2022: 12 months will be substituted. 	286(1)(1)	Assessment order under section 270(10) (Assessment) or section 271(Best Judgement) will be passed within 1 year from End of the financial year succeeding the relevant tax year for which assessment is made.	Earlier there was different time limit depending on the day of initiation of the assessment year which has been settled to 1 year in the new Act
153(1A)	Notwithstanding anything contained in sub-section (1), where a return under sub-section (8A) of section 139 (Updated Return) is furnished, an order of assessment under section 143 or section	286(1)(2)	Assessment order under section 270(10) (Assessment) or section 271(Best Judgement) , where an updated return is filed will	No change in the time limit of this section

	144 may be made at any time before the expiry of twelve months from the end of the financial year in which such return was furnished		be passed within 1 year from End of the financial year in which such return was furnished.	
153(1B)	Notwithstanding anything in sub-section (1), where a return is furnished in consequence of an order under clause (b) of sub-section (2) of section 119 (Return by Instructions to subordinate authorities) , an order of assessment under section 143 or section 144 may be made at any time before the expiry of twelve months from the end of the financial year in which such return was furnished.	286(1)(3)	Assessment order under section 270(10) or 271, where return is furnished in consequence of order under section 239(3)(b). (Return by Instructions to subordinate authorities) will be passed within 1 year from End of the financial year in which such return was furnished.	No change in the time limit of this section
153(2)	No order of assessment, reassessment or recomputation shall be made under section 147 after the expiry of nine months from the end of the financial year in which the notice under section 148 was served. • Where the notice is issued after 01.04.2019: 12 months will be substituted.	286(1)(4)	Assessment, reassessment or recomputation order under section 279(Reassessment) will be passed within 1 year from End of the financial year in which notice under section 280 (erstwhile section 148) was served	Earlier there was different time limit depending on the date of issuance of the notice u/s 280 of the Act which has been settled to 1 year in the new Act.
153(3)	Notwithstanding anything contained in sub-sections (1), (1A) and (2), an order of fresh assessment or fresh order under section 92CA (Reference to TPO) , as the case may be, in pursuance of an order	286(1)(5)	Fresh assessment order or fresh order under section 166 (Reference to TPO) in pursuance to an order under section 359 [Order passed by CIT(A)], or 363 (Order by ITAT) ,	Earlier there was different time limit depending on the date of receipt of

	<p>under section 250 [Order passed by CIT(A)] or section 254 (Order by ITAT) or section 263 (Revision by PCIT for order prejudicial to revenue) or section 264 (Revision of other order), setting aside or cancelling an assessment, or an order under section 92CA, as the case may be, may be made at any time before the expiry of nine months 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 Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be,</p> <ul style="list-style-type: none"> • Where the order u/s 250 or 254 is received by the PCCIT or CCIT or PCIT or CIT or the order u/s 263 or 264 is passed by the PCCIT or CCIT or PCIT or CIT on or after 01.04.2019: 12 months will be substituted. 		<p>or 377 (Revision by PCIT for order prejudicial to revenue), or 378 (Revision of other order), setting aside or cancelling an assessment order or an order under section 166 will be passed within 1 year from End of the financial year in which order under section 359 or 363 is received by, or order under section 377 or 378 is passed by, the jurisdictional Principal Commissioner or Commissioner.</p>	<p>order or date of passing of the order as the case may be by PCCIT or CCIT or PCIT or CIT which has been settled to 1 year in the new Act.</p>
153(3A)	<p>Notwithstanding anything contained in sub-sections (1), (1A), (2) and (3), where an assessment or reassessment is pending on the date of initiation of</p>		-	

	<p>search under section 132 or making of requisition under section 132A, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections shall,—</p> <p>(a) in a case where such search is initiated under section 132 or such requisition is made under section 132A;</p> <p>(b) in the case of an assessee, to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to;</p> <p>(c) in the case of an assessee, to whom any books of account or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to, be extended by twelve months</p>			
153(4)	Notwithstanding anything contained in sub-sections (1), (1A), (2), (3) and (3A), where a reference under sub-section (1) of section 92CA (TPO Reference) is made during the course of the proceeding for the	286(2)(a)	Time limit for completion of any assessment or reassessment as provided in sub-section (1) [Table: Sl No. 1 to 4], in a case where reference is made to the Transfer Pricing Officer for	No change

	assessment or reassessment, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections (1), (1A), (2), (3) and (3A) shall be extended by twelve months.		determining the arm's length price under section 166(1), shall be extended by an additional period of twelve months.	
153(5)	Where effect to an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 is to be given by the Assessing Officer or the Transfer Pricing Officer, as the case may be, wholly or partly, otherwise than by making a fresh assessment or reassessment or fresh order under section 92CA, as the case may be, such effect shall be given within a period of three months from the end of the month in which order under section 250 or section 254 or section 260 or section 262 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be, the order under section 263 or section 264 is passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be:	286(1)(10)	Order giving effect to an order under section 359 or 363 or 365(10) or 368 or 377 or 378 otherwise than by making a fresh assessment or reassessment or fresh order under section 166 will be Six months, extendable to nine months with the approval of authorities as per section 2(62) and (64) from the End of the month in which order under section 359 or 363 or 365(10) or 368 is received by, or order under section 377 or 378 is passed by, the jurisdictional Principal Commissioner or Commissioner.	

	<p>Provided that where it is not possible for the Assessing Officer or the Transfer Pricing Officer, as the case may be, to give effect to such order within the aforesaid period, for reasons beyond his control, the Principal Commissioner or Commissioner on receipt of such request in writing from the Assessing Officer or the Transfer Pricing Officer, as the case may be, if satisfied, may allow an additional period of six months to give effect to the order:</p>			
<p>153(5) – 2nd proviso</p>	<p>Provided further that where an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 requires verification of any issue by way of submission of any document by the assessee or any other person or where an opportunity of being heard is to be provided to the assessee, the order giving effect to the said order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 shall be made within the time specified in sub-section (3).</p>	<p>286(1)(9)</p>	<p>Order giving effect to an order under under section 359, or 363 or 365(10) , or 368, or 377 or 378, otherwise than by making a fresh assessment or reassessment or fresh order under section 166, where—</p> <p>(i) verification of any issue by way of submission of any document by the assessee or any other person is to be carried out; or</p> <p>(ii) an opportunity of being heard is to be given to the assessee.</p>	

			Will be passed within 1 year from the end of month in which order under section 359 or 363 or 365(10) or 368 is received by, or order under section 377 or 378 is passed by, the jurisdictional Principal Commissioner or Commissioner.	
153(5A)	Where the Transfer Pricing Officer gives effect to an order or direction under section 263 by an order under section 92CA and forwards such order to the Assessing Officer, the Assessing Officer shall proceed to modify the order of assessment or reassessment or recomputation, in conformity with such order of the Transfer Pricing Officer, within two months from the end of the month in which such order of the Transfer Pricing Officer is received by him.	286(1)(11)	Modification of assessment, reassessment or recomputation to give effect to the order passed under section 166 read with section 377 will be passed within 2 months from end of the month in which such order under section 166 is received by the Assessing Officer.	
153(6)	Nothing contained in sub-sections (1), (1A) and (2) shall apply to the following classes of assessments, reassessments and recomputation which may, subject to the provisions of sub-sections (3), (5) and (5A), be completed- (i) where the assessment, reassessment or recomputation is made on the assessee or	286(1)(8)	Assessment, reassessment or recomputation required to be made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order— (i) under section 359 [Order passed by CIT(A)], or 363 (Order by ITAT) or 365(10) (Order passed by the	

	<p>any person in consequence of or to give effect to any finding or direction contained in an order under section 250, section 254, section 260, section 262, section 263, or section 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act, on or before the expiry of twelve months from the end of the month in which such order is received or passed by the ⁸³[Principal Chief Commissioner or Chief Commissioner or] Principal Commissioner or Commissioner, as the case may be; or</p>		<p>HC), or 368 (Hearing before SC), or 377 (Revision of orders prejudicial to revenue) or 378 (Revision of other orders)); or</p> <p>(ii) of any Court in a proceeding otherwise than by way of appeal or reference under this Act.</p> <p>Will be passed within 1 year from the end of month in which such order is received, or passed, by the jurisdictional Principal Commissioner or Commissioner.</p>	
153(6) (ii)	<p>(ii) 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, on or before the expiry of twelve months from the end of the month in which the assessment order in the case of the firm is passed.</p>	286(1)(7)	<p>Assessment required to be made in the hands of partner, in consequence of an assessment made on the firm under section 279 (reassessment) will be made within 1 year from the end of the month in which assessment order in the case of firm is passed.</p>	
153(7)	<p>Where effect to any order, finding or direction referred to in sub-section (5) or sub-section (6) is to be given by the Assessing Officer, within the time</p>		-	

	specified in the said sub-sections, and such order has been received or passed, as the case may be, by the income-tax authority specified therein before the 1st day of June, 2016, the Assessing Officer shall give effect to such order, finding or direction, or assess, reassess or recompute the income of the assessee, on or before the 31st day of March, 2017.			
153(8)	Notwithstanding anything contained in the foregoing provisions of this section, sub-section (2) of section 153A or sub-section (1) of section 153B or section 158BE, the order of assessment or reassessment, relating to any assessment year, which stands revived under sub-section (2) of section 153A or sub-section (5) of section 158BA, shall be made within a period of 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 or section 158BE, whichever is later.	286(1)(6)	Assessment or reassessment which stands revived, as per section 292 (Assessment of total undisclosed income as a result of search) will be completed within 1 year end of the month in which such assessment or reassessment stands revived.	
153(9)	The provisions of this section as they stood immediately before the commencement of the Finance Act, 2016, shall apply to and in relation to any order of assessment, reassessment or		-	

	<p>recomputation made before the 1st day of June, 2016:</p> <p>Provided that where a notice under sub-section (1) of section 142 or sub-section (2) of section 143 or section 148 has been issued prior to the 1st day of June, 2016 and the assessment or reassessment has not been completed by such date due to exclusion of time referred to in Explanation 1, such assessment or reassessment shall be completed in accordance with the provisions of this section as it stood immediately before its substitution by the Finance Act, 2016 (28 of 2016).</p>			
153(10)	<p>Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of sub-sections (1) to (4), the draft of the proposed order of assessment referred to in sub-section (1) of section 144C shall be made, and shall always be deemed to have been made, at any time up to the time limit of assessment, reassessment or recomputation referred to in the said sub-sections.</p>	286(2)(b)	<p>In terms of provisions of sub-section (1) [Table: SI No. 1 to 4] and this sub-section, the draft of the proposed order of assessment referred to in section 275 shall be made at any time up to the time limit of assessment, reassessment or recomputation referred to in the said Table and this sub-section.”</p>	<p>Added by the Finance bill, 2026 with retrospective effect from 01.04.2009</p>

Explanation 1	For the purposes of this section, in computing the period of limitation-	286(3)	For the purposes of this section, in computing the time limit for completion, the following period shall be excluded,—	
(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(Change of incumbent of an office, Provided that the assessee concerned may demand that before the proceeding is so continued the previous proceeding or any part thereof be reopened or that before any order of assessment is passed against him, he be reheard.); or	(a)	the time taken in reopening the whole or any part of the proceeding on request of the assessee or in giving an opportunity to the assessee to be re-heard under section 244 (Change of incumbent of an office); or	
(ii)	the period commencing on the date on which stay on the assessment proceeding was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner; or	(b)	the period commencing on the date on which stay on assessment proceeding was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by jurisdictional Principal Commissioner or Commissioner; or	
(iii)	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) ⁷¹ [^{71a} [of section 10], under clause (i) of the	(c)	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 Schedule III (Table: Sl. No. 23, 24, 25) (Old Section 10) or section 270(11)(i) (first proviso of section	

	first 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		143(3) old act), 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 provisions is received by the Assessing Officer; or	
(iv)	<p>the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited ⁸⁴[or inventory valued] under sub-section (2A) of section 142 and-</p> <p>(a) ending with the last date on which the assessee is required to furnish a report of such audit ⁸⁵[or inventory valuation] under that sub-section; or</p> <p>(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 Commissioner; or</p>	(d)	<p>the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited or inventory valued under section 268(5) and—</p> <p>(i) ending with the last date on which the assessee is required to furnish a report of such audit or inventory valuation under that section; or</p> <p>(ii) 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 Commissioner; or</p>	
(v)	the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A(Estimation of value of assets by Valuation Officer) and ending with the date on which the	(e)	the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under section 269(1) (Estimation of value of assets by Valuation Officer) and ending with the date on	

	report of the Valuation Officer is received by the Assessing Officer; or		which the report of the Valuation Officer is received by him; or	
(vi)	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(Identical Question of law pending before SC, HC) and ending with the date on which the order under sub-section (3)(Order in writing by the AO or appellate authority to accept or reject the question of law raised before SC, HC) of that section is made by him; or	(f)	the period (not exceeding sixty days) commencing from the date on which the Assessing Officer received the declaration under section 375(1) (Identical Question of law pending before SC, HC) and ending with the date on which the order under section 375(3) (Order in writing by the AO or appellate authority to accept or reject the question of law raised before SC, HC) is made by him; or	
(vii)	in a case where an application made before the Income-tax Settlement Commission is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which an application is made before the Settlement Commission under section 245C and ending with the date on which the order under sub-section (1) of section 245D is received by the Principal Commissioner or Commissioner under sub-section (2) of that section; or		-	
(viii)	the period commencing from the date on which an application is made before the ⁶⁰ [Authority for Advance Rulings or before the Board for Advance	(g)	the period commencing from the date on which an application is made before the Board for Advance Rulings under section 383(1)	

	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 Commissioner under sub-section (3) of section 245R; or		(Application for advance ruling) and ending with the date on which the order either rejecting the application or the advance ruling pronounced by it, is received by the jurisdictional Principal Commissioner or Commissioner under section 384(5) or (8), as the case may be; or	
(ix)	the period commencing from the date on which an application is made before the ⁶¹ [Authority for Advance Rulings or before the Board 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 Commissioner under sub-section (7) of section 245R; or			
(x)	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 Commissioner or a period of one year, whichever is less; or	(h)	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 159 and ending with the date on which the information requested is last received by the jurisdictional Principal Commissioner or Commissioner, or one year, whichever is less; or	
(xi)	the period commencing from the date on which a reference for declaration of an arrangement to be	(i)	the period commencing from the date on which a reference for declaration of an arrangement to be	

	<p>an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the ⁷²[Assessing Officer; or</p>		<p>an impermissible avoidance arrangement is received by the jurisdictional Principal Commissioner or Commissioner under section 274(1) and ending on the date on which a direction under sub-section (3) or (6) or an order under sub-section (5) of the said section is received by the Assessing Officer; or</p>	
(xii)	<p>the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account or other documents, or any money, bullion, jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee,-</p> <p>(a) in whose case such search is initiated under section 132 or such requisition is made under section 132A; or</p>		-	

	<p>(b) to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to; or</p> <p>(c) to whom any books of account or documents seized or requisitioned pertains or pertains to, or any information contained therein, relates to; or]</p>			
(xiii)	<p>the period commencing from the date on which the Assessing Officer makes a reference to the Principal Commissioner or Commissioner under the second proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order under clause (ii) or clause (iii) of the fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB, as the case may be, is received by the Assessing Officer,</p>	(j)	<p>the period commencing from the date on which the Assessing Officer makes a reference to the jurisdictional Principal Commissioner or Commissioner under section 270(13) and ending with the date on which copy of the order under section 351(2)(ii)(A) or (B), is received by the Assessing Officer.</p>	
153 explanation 1- 1st proviso	<p>Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in sub-sections (1), (1A), (2), (3) and sub-section (8) available to the Assessing Officer for making an order of assessment,</p>	286(4)	<p>Where immediately after exclusion of the period as mentioned in sub-section (3), the remaining period for completion available to the Assessing Officer, as specified in sub-section (1), for making an order of assessment, reassessment</p>	

	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:		or recomputation, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid time limits for completion shall be deemed to have been extended accordingly.	
153 explanation 1- 2nd proviso	Provided further that where the period available to the Transfer Pricing Officer is extended to sixty days in accordance with the proviso to sub-section (3A) of section 92CA and the period of limitation 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:	286(5)	Where the period available to the Transfer Pricing Officer is extended to sixty days as per section 166(8) and the remaining period for completion available to the Assessing Officer under this section, for making an order of assessment, reassessment or recomputation, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid time limit for completion shall be deemed to have been extended accordingly.	
153 explanation 1- 3rd and 4th proviso	Provided also that where the assessee exercises the option to withdraw the application under sub-section (1) of section 245M, the period of limitation available under this section to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, shall, after the exclusion of the period under sub-section (5) of	286(6)	Where a proceeding before the Interim Board for Settlement abates under section 245HA of the Income-tax Act, 1961 (43 of 1961) and the remaining period of limitation available to the Assessing Officer under this section for making an order of assessment, reassessment or recomputation, after the exclusion of the period	

	<p>the said section, 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:</p> <p>Provided also that for the purposes of determining the period of limitation under sections 149, 154 and 155, and for the purposes of payment of interest under section 244A, the provisions of the fourth proviso shall apply accordingly.</p>		<p>under section 245HA(4) of the Income-tax Act, 1961 (43 of 1961), is less than one year, such remaining period shall be deemed to have been extended to one year; and for the purposes of determining the period of limitation under sections 282, 287, 288 and 296 and for the purposes of payment of interest under section 437, this sub-section shall also apply accordingly.</p>	
		286(7)	<p>In a case where the remaining time period for making an order of regular assessment or reassessment, after excluding the time period specified in sub-section (3)(j), ends before the end of the month, the remaining period shall be extended to the end of such month, and the specified time limit for completion shall be deemed to have been extended accordingly.</p>	New Section
<i>Explanation</i> 2.-	<p>For the purposes of this section, where, by an order referred to in clause (i) of sub-section (6),-</p> <p>(a) any income is excluded from the total income of the assessee for an assessment year, then, an assessment of such income for</p>	286(8)	<p>For the purposes of this section and section 283, where by an order referred to in entry in sub-section (1) (Table: Sl. No. 8.A)—</p> <p>(i) any income is excluded from the total income of the assessee for a tax year,</p>	

	<p>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; or</p> <p>(b) 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, if such other person was given an opportunity of being heard before the said order was passed</p>		<p>then, an assessment of such income for another tax year shall be deemed as one made in consequence of or to give effect to any finding or direction contained in the said order; or</p> <p>(ii) 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 be deemed as one made in consequence of or to give effect to any finding or direction contained in the said order, if such other person was given an opportunity of being heard before the said order was passed.</p>	
--	--	--	--	--