

F.No.299/10/2022-Dir(Inv.III)/611  
Government of India / भारत सरकार  
Ministry of Finance / वित्त मंत्रालय  
Department of Revenue / राजस्व विभाग  
Central Board of Direct Taxes / केंद्रीय प्रत्यक्ष कर बोर्ड  
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Room No. 323, 3<sup>rd</sup> Floor  
Dr. S P Mukherjee Civic Centre,  
New Delhi – 110002  
**Dated: 01/08/2022**

To,

All the Principal Chief Commissioners of Income Tax  
The Principal Chief Commissioner of Income Tax (Exemption)  
The Principal Chief Commissioner of Income Tax (International Taxation)  
The Director General of Income Tax (Systems), New Delhi  
All the Chief Commissioners of Income Tax (Central)  
All the Director Generals of Income Tax (Investigation)

Madam/Sir,

**Sub: Guidelines for issuance of notice u/s 148 of the Income Tax Act, 1961**

**Ref: 247/140/2017-A&PC-1 dated 10.01.2018**

1. In view of substitution of Section 147/148/149/151, amendments in Section 151A and insertion of Sections 148A in the Income-tax Act, 1961 ("Act") vide Finance Act, 2021 and Finance Act, 2022, the procedure for issuance of notice under Section 148 stands amended. This has necessitated a revision of the existing guidelines on the subject issued vide F.No.247/140/2017-A&PC-1 dated 10.01.2018. In view of the above, in supersession of the earlier guidelines as referred above, the following new guidelines are hereby issued.
2. The salient features of Finance Act, 2021 and Finance Act, 2022 w.r.t. Section 148 to 151A i.e. assessment/reassessment procedure of "Income Escaping Assessment" are as under:
  - 2.1 Before issuing notice u/s 148, the Assessing Officer (AO) must observe the following procedures laid down u/s 148A except in certain categories of cases (specified in the proviso to section 148A):
    - i. Notice under section 148 can be issued only if there is an information with the assessing officer which suggest that income chargeable to tax has escaped assessment in the case of assessee for the relevant assessment year. Information has been defined as per Explanation 1 of Section 148 of the Act.

**Explanation 1-** Information with the AO which suggests that the income chargeable to tax has escaped assessment-

      - (i) any information in the case of the assessee for the relevant assessment year in accordance with the risk management strategy formulated by the Board from time to time;



- (ii) any audit objection to the effect that the assessment in the case of the assessee for the relevant assessment year has not been made in accordance with the provisions of this Act; or
- (iii) any information received under an agreement referred to in section 90 or section 90A of the Act; or
- (iv) any information made available to the Assessing Officer under the scheme notified under section 135A; or
- (v) any information which requires action in consequence of the order of a Tribunal or a Court.

ii. Further, explanation 2 to section 148 provides the incidence where assessing officer shall be deemed to have information.

**Explanation 2-** where AO shall be deemed to have information suggesting escapement of income-

- (i) a search is initiated under section 132 or books of account, other documents or any assets are requisitioned under section 132A, on or after the 1st day of April, 2021, in the case of the assessee; or
- (ii) a survey is conducted under section 133A, other than under sub-section (2A) of that section, on or after the 1st day of April, 2021, in the case of the assessee; or
- (iii) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner, that any money, bullion, jewellery or other valuable article or thing, seized or requisitioned under section 132 or section 132A in case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or
- (iv) the Assessing Officer is satisfied, with the prior approval of Principal Commissioner or Commissioner, that any books of account or documents, seized or requisitioned under section 132 or section 132A in case of any other person on or after the 1st day of April, 2021, pertains or pertain to, or any information contained therein, relate to, the assessee,

the Assessing Officer shall be deemed to have information which suggests that the income chargeable to tax has escaped assessment in the case of the assessee where the search is initiated or books of account, other documents or any assets are requisitioned or survey is conducted in the case of the assessee or money, bullion, jewellery or other valuable article or thing or books of account or documents are seized or requisitioned in case of any other person.

iii. Proviso to section 148A provides that in the following category of cases the provisions of Section 148A shall not apply, if,

- (a) a search is initiated under section 132 or books of account, other documents or any assets are requisitioned under section 132A in the case of the assessee on or after the 1st day of April, 2021; or
- (b) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any money, bullion, jewellery or other valuable article or thing, seized in a search under section 132 or requisitioned under section 132A, in the case of any other person on or after the 1st day of April, 2021, belongs to the assessee; or
- (c) the Assessing Officer is satisfied, with the prior approval of the Principal Commissioner or Commissioner that any books of account or documents, seized in a search under section 132 or requisitioned under section 132A, in case of any other person on or after the 1st day of April, 2021, pertains or pertain to, or any information contained therein, relate to, the assessee; or



(d) the Assessing Officer has received any information under the scheme notified under section 135A pertaining to income chargeable to tax escaping assessment for any assessment year in the case of the assessee.

In other words, in above mentioned category of cases, notice under section 148 can be issued with the prior approval of specified authority without following the procedure mentioned in the section 148A.

iv. The “specified authority” for the seeking approval for conducting enquiry u/s 148A(a), passing order u/s 148A(d) and issuance of notice u/s 148 shall be:

Specified Authority for sanction for issue of notice u/s 148, 148A (a) and 148A (d)	Time limit (Calculated from the end of the relevant AY)
PCIT or PDIT or CIT or DIT (ref-Section 151(i))	Upto 3 years
-PCCIT or PDGIT or -where there is no PCCIT or PDGIT then approval from CCIT or DGIT (ref Section 151(ii))	More than 3 years but upto 10 years

v. Explanation 2 to section 148 of the Act provides that if a survey u/s 133A of the Act (other than under section 133A (2A)) was conducted in the case of the assessee on or after 1<sup>st</sup> April, 2021, the Assessing officer shall be deemed to have information which suggests that income chargeable to tax has escaped assessment. However, it is to clarify that the due procedure as prescribed u/s 148A needs to be followed in such cases also before issuing a notice u/s 148 of the Act. (refer proviso to section 148A).

vi. The AO shall, if required, undertake enquiries on any “information” received/available with him which suggests that the income chargeable to tax has escaped assessment in a previous year only with the prior approval of “specified authority”.

vii. If the result of enquiry/information available suggests that the income chargeable to tax has escaped assessment, the AO shall provide an opportunity of being heard to the assessee by issuing a show cause notice u/s 148A(b) of the Act. The said notice shall provide between 7 to 30 days’ time to the assessee for submitting the reply. **A template of show cause notice is enclosed at Annexure-A1**

viii. If an assessee requests for a personal hearing, the same may be dealt with following the principle of natural Justice by giving a reasonable period for compliance of notice specifying the date of hearing.

ix. As per 3<sup>rd</sup> proviso to section 149, for the purposes of computing the period of limitation as per this section, the time or extended time allowed to the assessee, as per show-cause notice issued under clause (b) of section 148A or the period during which the proceeding under section 148A is stayed by an order or injunction of any court, shall be excluded.

- x. Further, as per 4<sup>th</sup> proviso to section 149, *where immediately after the exclusion of the period referred to in the immediately preceding proviso (i.e. 3<sup>rd</sup> proviso), the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A is less than seven days, such remaining period shall be extended to seven days and the period of limitation under this sub-section shall be deemed to be extended accordingly.*
- xi. The AO has to consider the reply of assessee furnished, if any, in response to the show-cause notice referred to in clause (b) of section 148A before passing the order u/s 148A(d).
- xii. The AO shall mandatorily pass a speaking order u/s 148A(d) in all cases with the 'prior approval of the specified authority' ( **Annexure- A2**) for such order u/s. 148A (d), except in the cases covered in Para 2.1 (iii) above of these guidelines, irrespective of whether issuance of notice u/s 148 is being recommended or not. **A template of such order u/s. 148A (d) is enclosed at Annexure- A3.**
- xiii. Once an order under clause (d) of section 148A has been passed, no further approval is required for issuance of notice u/s 148 by the AO, with effect from 1.4.2022.\*  
 (\*except for cases in which procedure under Section 148A is being applied for implementation of the Hon'ble Supreme Court's judgment in the case of UOI Vs. Ashish Agrawal ( 2022 SCC online SC 543) dated 4.5.2022 for which specific instruction dated 11.5.2022 has been issued.)
- xiv. In the cases emanating out of Audit objection, AO has to ensure that extant instructions/ guidelines/ SOPs have been duly adhered with.
- xv. The confidential information such as from FIU, foreign jurisdictions, LEAs etc would be governed by respective guidelines governing sharing of such information.
- xvi. Information relevant to the case of the assessee's income escaping assessment must be provided and Information not relevant to the case of the assessee must be redacted.

**2.2** Notices along with annexures shall be sent to assessee as follows-

Category of case	Order/sanction document to be sent along with notice u/s 148
Cases covered under para 2.1 (iii) above	<ul style="list-style-type: none"> <li>• Notice u/s. 148 (Annexure B) and</li> <li>• prior approval of specified authority u/s. 151 of the Income Tax Act (Annexure A2).</li> </ul>
Other cases	<ul style="list-style-type: none"> <li>• Notice u/s. 148 - (Annexure B),</li> <li>• the Order u/s. 148A (d) - (Annexure A3) and</li> <li>• approval of the specified authority for such order u/s. 148A (d)- (Annexure A2)</li> </ul>

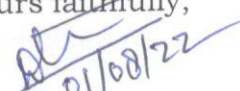
(Proforma of above notices/orders are illustrative and suggestive in nature and may be modified suitably based on the facts and circumstances of the case, if required.)



3. For the purposes of assessment or reassessment or recomputation under section 147 read with section 148/148A, the Assessing Officer may assess or reassess the income in respect of any other issue, which has escaped assessment, and such other issue comes to his notice subsequently in the course of the proceedings u/s 147, irrespective of the fact that the provisions of section 148A have not been complied with, in respect of that issue.
4. The statutory timelines given in Section 149 for issue of notice specified shall not apply for the purpose of making an assessment or reassessment or recomputation in consequence of or to give effect to any finding or direction contained in an order passed by any authority in any proceeding under this Act by way of appeal, reference or revision or by a Court in any proceeding under any other law.
5. As far as possible the Assessing officer to make endeavor that at the stage of compliance of provisions u/s 148A/ issuance of notice u/s 148, all issues even if spread over more than one assessment year may be taken up simultaneously i.e. information suggesting escapement of income relating to a particular assessee for more than one AY may be reopened at one go.
6. The Assessing officer, as far as possible, may dispose all such pending matters relating to passing of orders u/s 148A(d)/ issuance of notice u/s 148 on a continuous basis rather than towards close to time barring date. This will enable passing of reasoned orders. Supervisory authorities are hereby advised to keep an effective supervision and monitor the progress of disposal of these work on continuous basis.
7. The present guidelines are only indicative and not exhaustive. The AO may take suitable decision on a case-to-case basis for the situations not specifically covered in these guidelines. However, in doing so, he/she shall follow the general principles enunciated in these guidelines.
8. These guidelines are to be brought to the notice of all officers working under your jurisdiction for information and compliance.

Encl: As above ,

Yours faithfully,

  
(Deepak Tiwari)

CIT(OSD)Investigation, CBDT

(दीपक तिवारी / DEEPAK TIWARI)  
आयकर आयुक्त (ओ.एस.डी.), (अन्व.)  
Commissioner of Income Tax (OSD), (Inv.)  
केन्द्रीय प्रत्यक्ष कर बोर्ड, वित्त मंत्रालय  
CBDT, Ministry of Finance  
नई दिल्ली / New Delhi

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
INCOME TAX DEPARTMENT  
OFFICE OF THE -----

(Designation of AO along with Office address)

To,	
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PAN:	A.Y:	Dated:	DIN* & Notice No:
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**Notice under clause (b) of section 148A of the Income-tax Act.1961**

Sir/Madam/M/s

1. Whereas I have information which suggests that income chargeable to tax for the Assessment Year \_\_\_\_\_ has escaped assessment within the meaning of Section 147 of the Income-tax Act, 1961. The details of the information/ enquiry conducted on which reliance is being placed, along with supporting documents, are enclosed with this notice.
2. You are required to show-cause as to why, in view of the details contained in enclosures mentioned in point number 1 above, a notice under section 148 of the Income tax Act, 1961 should not be issued.
3. You may submit your reply to this notice, along with supporting documents (if any) on the above-mentioned issues on or before \_\_\_\_\_electronically at [www.incometax.gov.in](http://www.incometax.gov.in).

Encl. as above

Name and designation of AO

\*DIN- Document Identification No.

### Guidelines for Enclosures

- The AO should enclose copy of all the relevant **'information'**\* available on which reliance is being placed, along with supporting documents (if any).
- In the cases where information is received from the Investigation Wing or any other law enforcement agency, details of letter, brief summary of information along with relevant portion of such report and details of relied upon documents may be enclosed. Such a portion as does not bear reference to the assessee concerned may be appropriately redacted.
- Details of enquiry conducted, if any, may be shared if reliance is being placed by the AO on it.
- Judicial order (i.e. case laws) on which reliance is being placed, if any.

\*Refer Explanation 1 and Explanation 2 of Section 148 for what constitutes "information".



## Proforma for approval by the Specified Authority

1.	Name of the assessee	
2	Address and e-mail of the assessee	
3	PAN	
4	Status	
5	Circle/Ward/Range/CIT Charge	
6	Assessment year	
7	The quantum of income which has escaped assessment	
8	Approval needed for (tick appropriate box)	<input type="checkbox"/> Order u/s 148A(d) required for issuance of notice u/s 148  <input type="checkbox"/> Order u/s 148A(d) for dropping proceedings  <input type="checkbox"/> Issue of notice u/s 148 where there is no requirement for passing order u/s 148A(d)
9	Time-limit for current proceedings covered under (tick appropriate box)	<input type="checkbox"/> u/s 149(1)(a)- for 3 years  <input type="checkbox"/> u/s 149(1)(b)- for more than 3 years but no more than 10 years
10	Limitation date for issuance of notice u/s 148	
11.	Whether the show cause notice u/s 148A(b) contains the details of the information, as per explanation-1 of Section 148.	[Yes/No]
12.	(i) Enquiry conducted (if any), u/s 148A(a)	[Yes/No]  If yes, date of approval of Specified Authority
	(ii) Whether the show cause notice u/s 148A (b) contains the details of results of <u>enquiry</u> conducted 148A (a).	[Yes/No]
13.	Date of issue of show cause notice to assessee u/s 148A(b)	
14.	Date by which assessee was required to submit reply to show cause notice u/s 148A(b) or the final extended date.	
15.	Whether any reply received from assessee u/s 148A(b)?	Yes/No  If yes, date(s) of reply.
16.	Whether personal hearing requested by assessee	Yes/No  If yes, dates of hearing
17.	Whether the provision of Sec. 150(1) are applicable.	Yes/No If yes, relevant facts to be provided
18.	Reasons for the belief that income has escaped assessment.	Detailed reasoning has to be mentioned.

(Name and designation of AO)

Dated:



19.	Recommendations of the Additional/ Joint CIT	
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(Name and designation of Additional/ Joint CIT)

Dated:

20.	Recommendations of the CIT/PCIT (where CCIT/PCCIT is the specified authority)	
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Dated: (Name and designation of CIT/PCIT)

**Approval/rejection to order u/s 148A(d)-**

21.	Recommendations of the CCIT (where PCCIT is the specified authority)	
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(Name and designation of CCIT)

Dated:

**Approval of Specified Authority**

22.	Reasons for according approval/rejection by the specified authority to order u/s 148A(d) AND/OR issuance of notice under section 148 of the Income Tax Act, 1961 ?	
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(Name and designation of PCCIT/CCIT/PCIT)

Dated:

**Approval/rejection for issuance of notice u/s 148-**

21.	Recommendations of the CCIT (where PCCIT is the specified authority)	
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(Name and designation of CCIT)

Dated:

**Sanction by Specified Authority**

22.	Reasons for according approval/rejection by the specified authority for issuance of notice under section 148 of the Income Tax Act, 1961?	
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(Name and designation PCIT/CCIT/PCCIT)

Dated:



GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
INCOME TAX DEPARTMENT  
OFFICE OF THE -----

Annexure-A3

(Designation of AO along with Office address)

To,			
PAN:	A.Y:	Dated:	DIN & Notice No:

Name of the assessee	
Address of the assessee	
E-mail of the assessee	
Resident/ Not Ordinarily Resident/ Non-Resident	
Date of order	
Name & Designation of Specified Authority	
Specified authority approval date	

**Order under clause (d) of section 148A of the Income-tax Act, 1961**

**Name and designation of  
JAO**

The AO may paste screenshots of all relied upon information in this order as far as possible.

Encl: (i) Copy of approval of specified authority.  
(ii) Notice u/s. 148 of the I T Act

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**Note: Order under clause (d) of section 148A may include the followings (as far as available):**

- Details of the assessee like status, nature of business activity, brief details of return of income filed earlier along with details of processing of return/scrutiny assessment/reassessment proceeding.
- Timeline of proceedings so far including date of issuance of notice u/s 148A(b), prescribed date of compliance, date of reply by assessee, date of hearing(s).
- A brief of all relevant informations, material evidences, judicial orders and details of enquiry conducted by the AO on the basis of which a prima facie opinion of escapement of income has been arrived at by the AO. It may be appropriate to mention the amount of escapement found based on the information and how this amount is represented in the form of an asset; expenditure in respect of a transaction or in relation to an event or occasion; or an entry or entries in the books of account.
- A brief of all the explanation/contentions raised by assessee in its reply(s) or made during the course of hearing.
- Rebuttal of the reply/submissions of the assessee vis-à-vis information confronted to the assessee may be discussed. It should be endeavor of AO to dispose off all the objections whether factual/legal or otherwise with proper reasons.
- This would contain the summary of findings based on all the analysis of information done by the AO. The AO will clearly specify whether the explanation/reply of the assessee is acceptable or not. On this basis, the AO will specify the quantum of income/asset/expenditure/entry which has escaped assessment.
- The AO shall pass an order under this subsection with the approval of "specified authority". The AO will also bring out the how the notice is not beyond the statutory limitation u/s 149 of the Act.





GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
INCOME TAX DEPARTMENT  
OFFICE OF THE -----

(Designation of AO along with Office address)

To,			
PAN:	A.Y:	Dated:	DIN & Notice No:

**Notice under section 148 of the Income-tax Act, 1961**

Sir/ Madam/ M/s.

1. (A) I have the following information in your case or in the case of the person in respect of which you are assessable under the Income tax Act, 1961 (hereinafter referred to as "the Act") for Assessment Year \_\_\_\_:-

- ☐ information in accordance with the risk management strategy formulated in this regard;
- ☐ audit objection has been raised in your case to the effect that the assessment has not been made in accordance with the provisions of Act;
- ☐ information under an agreement referred to in section 90 or section 90A of the Act;
- ☐ information which requires action in consequence of the order of a Tribunal or a Court;
- ☐ a survey was conducted under section 133A of the Act, other than under section 133A(2A) of the Act,

suggesting that income chargeable to tax has escaped assessment within the meaning of section 147 of the Act. Order under sub-section (d) of section 148A of the Act has been passed in such case vide DIN \_\_\_\_\_ dated \_\_\_\_\_ and annexed herewith for reference,

(B) ☐ I have information that a search was initiated under section 132 of the Act in your case or in the case of the person in respect of which you are assessable under the Act on the date \_\_\_\_\_ (date of search).

(C) ☐ I have information that books of accounts, other documents or any assets have been requisitioned under section 132A of the Act in your case or in the case of the person in respect of which you are assessable under the Act.

(D) ☐ I am satisfied, with the approval of Principal Commissioner or Commissioner, that money, bullion, jewellery or other valuable article or thing, seized or requisitioned under section 132 or section 132A of the Act in case of \_\_\_\_\_ relate to you or the person in respect of which you are assessable under the Act.

(E) ☐ I am satisfied, with the approval of Principal Commissioner or Commissioner, that books of accounts or documents, seized or requisitioned under section 132 or section 132A of the Act in case of \_\_\_\_\_ pertains or pertain to, or any information

contained therein, relate to you or the person in respect of which you are assessable under the Act.

(F) ☐ I am satisfied, with the approval of Principal Commissioner or Commissioner, that books of accounts or documents, seized or requisitioned under section 132 or section 132A of the Act in case of \_\_\_\_\_ pertains or pertain to, or any information contained therein, relate to you or the person in respect of which you are assessable under the Act.

(G) ☐ I have received information under the scheme notified u/s 135A pertaining to income chargeable to tax escaping assessment for the Assessment Year under consideration in your case.

Notice in cases covered in point (B) to (G), above is being issued after obtaining the prior approval of the \_\_\_\_\_ accorded on date \_\_\_\_\_ vide Reference No. \_\_\_\_\_.

2. I, therefore, propose to assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year \_\_\_\_\_ and I, hereby, require you to furnish, within 30 days from the service of this notice, a return in the prescribed form for the Assessment Year \_\_\_\_\_.

**Name and designation of  
JAO**