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**499. Certain transfers to be void.**

**(1) Where, during the pendency of any proceeding under this Act or after the completion thereof, but before the service of notice by the Tax Recovery Officer as per the procedure specified under section 413, any assessee creates a charge on, or parts with the possession of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the assessee as a result of the completion of the said proceeding or otherwise.**

**(2) The charge or transfer as referred to in sub-section (1) shall not be void if it is made—**

**(a) for adequate consideration and without notice of the pendency of such proceeding or, as the case may be, without notice of such tax or other sum payable by the assessee; or**

**(b) with the previous permission of the Assessing Officer.**

**(3) This section applies to cases where the amount of tax or other sum payable or likely to be payable exceeds Rs5000 and the assets charged or transferred exceed Rs10000 in value.**

**(4) For the purposes of this section,—**

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**(a) “assets” means land, building, machinery, plant, shares, securities, fixed deposits in banks, and virtual digital asset, to the extent to which any of the said assets do not form part of the stock-in-trade of the business of the assessee;**

**(b) the modes of creating a charge on or parting with the possession of such assets shall include sale, mortgage, gift, exchange or any other mode of transfer.**

**500. Provisional attachment to protect revenue in certain cases.**

**(1) Where, during the pendency of any proceeding for—**

**(a) the assessment of any income or for the assessment or reassessment of any income, which has escaped assessment; or**

**(b) imposition of penalty under section 444, where the amount or aggregate of amounts of penalty likely to be imposed under the said section exceeds two crore rupees, the Assessing Officer is of the opinion that for protecting the interests of the revenue it is necessary so to do, he may, with the previous approval of the Competent Authority by order in writing, attach provisionally any property belonging to the assessee in the manner prescribed in section 413.**

**(2) Every provisional attachment under sub-section (1) shall cease to have effect after the expiry of six months from the date of the order made under the said sub-section.**

**(3) The Competent Authority may, for reasons to be recorded in writing, extend the period referred to in sub-section (2) and the total period of such extension shall not exceed two**

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years or sixty days after the date of order of assessment or reassessment, whichever is later.

(4) Where the assessee furnishes a guarantee from a scheduled bank for an amount not less than the fair market value of the property provisionally attached under sub-section (1), the Assessing Officer shall, by an order in writing, revoke such attachment.

(5) For the purposes of sub-section (4), where the Assessing Officer is satisfied that a guarantee from a scheduled bank for an amount lower than the fair market value of the property is sufficient to protect the interests of the revenue, he may accept such guarantee and revoke the attachment.

(6) The Assessing Officer may, for determining the value of the property provisionally attached under sub-section (1), make a reference to the Valuation Officer, who shall estimate the fair market value of the property in the manner provided under section 269(3) to (7), and submit a report of such estimate to the Assessing Officer within thirty days from the date of receipt of the reference.

(7) An order revoking the provisional attachment under sub-section (4) or (5) shall be made—

(a) within forty-five days from the date of receipt of the guarantee, where a reference to the Valuation Officer has been made under sub-section (6); or

(b) within fifteen days from the date of receipt of guarantee, in any other case.

(8) Where a notice of demand specifying a sum payable is served upon the assessee and the assessee fails to pay that

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sum within the time specified, the Assessing Officer may invoke the guarantee furnished under sub-section (4) or (5), wholly or in part, to recover the amount.

(9) The Assessing Officer shall, in the interests of revenue, invoke the bank guarantee, if the assessee fails to renew the guarantee referred to in sub-section (4) or (5), or fails to furnish a new guarantee from a scheduled bank for an equal amount, before fifteen days of its expiry.

(10) The amount realised by invoking the guarantee referred to in sub-section (4) or (5) shall be adjusted against the existing demand which is payable by the assessee; and the balance amount, if any, shall be deposited in the Personal Deposit Account of the Principal Commissioner or Commissioner in the branch of, —

(a) the Reserve Bank of India or the State Bank of India; or

(b) any bank as may be appointed by the Reserve Bank of India as its agent under section 45(1) of the Reserve Bank of India Act, 1934 at the place where the office of the Principal Commissioner or Commissioner is situated.

(11) Where the Assessing Officer is satisfied that the guarantee referred to in sub-section (4) or (5) is not required any more to protect the interests of the revenue, he shall release that guarantee forthwith.

(12) For the purposes of this section, “Competent Authority” means the Principal Chief Commissioner or Chief Commissioner, Principal Commissioner or Commissioner, Principal Director General or Director General or Principal Director or Director.

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**501. Service of notice generally.**

**(1) The service of a notice, or summon, or requisition, or order, or any other communication, under this Act (herein referred to as communication) may be made by delivering or transmitting a copy thereof, to the person therein named—**

**(a) by post or by such courier services as may be approved by the Board;**

**(b) in such manner as provided under the Code of Civil Procedure, 1908 for the purposes of service of summons;**

**(c) in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000; or**

**(d) by any other means of transmission of documents, as may be prescribed.**

**(2) The Board may make rules providing for the addresses (including the address for electronic mail or electronic mail message) to which the communication referred to in subsection (1) may be delivered or transmitted to the person therein named.**

**(3) For the purposes of this section, “electronic mail” and “electronic mail message” means a message or information created or transmitted or received on a computer, computer system, computer resource or communication device including attachments in text, image, audio, video and any other electronic record, which may be transmitted with the message.**

**502. Authentication of notices and other documents.**

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**(1) Where this Act requires a notice or other document to be issued by any income-tax authority, such notice or other document shall be signed and issued in paper form or communicated in electronic form by that authority as per such procedure, as prescribed.**

**(2) Every notice or other document to be issued, served or given under this Act by any income-tax authority, shall be deemed to be authenticated, if the name and office of a designated income-tax authority is printed, stamped or otherwise written thereon.**

**(3) For the purposes of this section, the expression “designated income-tax authority” means any income-tax authority authorised by the Board to issue, serve or give such notice or other document after authentication in the manner as provided in sub-section (2).**

**503. Service of notice when family is disrupted or firm, etc., is dissolved.**

**(1) After a finding of total partition has been recorded by the Assessing Officer under section 315 for any Hindu family, notices under this Act in respect of the income of the Hindu family shall be served on the person, who was its last manager, or, if such person is dead, then on all adults who were members of the Hindu family immediately before the partition.**

**(2) Where a firm or other association of persons is dissolved, notices under this Act for the income of such firm or association may be served on any person, who was a partner (not being a minor) or member of the association, immediately before its dissolution.**

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**504. Service of notice in case of discontinued business.**

Where an assessment is to be made under section 320, the Assessing Officer may serve on the—

- (a) person whose income is to be assessed; or
- (b) person who was a member of a firm or association of persons at the time of its discontinuance, in the case of a firm or an association of persons; or
- (c) principal officer, in the case of a company,

a notice containing all or any of the requirements which may be included in a notice under section 268(1) and the provisions of this Act shall, so far as may be, apply accordingly as if the notice were a notice issued under that section.

**505. Submission of statement by a non-resident having liaison office.**

Every person, being a non-resident, having a liaison office in India set up as per the guidelines issued by the Reserve Bank of India under the Foreign Exchange Management Act, 1999, shall, in respect of its activities in a tax year, prepare and deliver to the Assessing Officer having jurisdiction, a statement, in such form and containing such particulars within such period, as prescribed.

**506. Furnishing of information or documents by an Indian concern in certain cases.**

Where,—

- (a) any share of, or interest in, a company or an entity registered or incorporated outside India derives, directly or

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indirectly, its value substantially from the assets located in India, as referred to in section 9(10)(a); and

(b) such company or entity, as the case may be, holds, directly or indirectly, such assets in India through, or in, an Indian concern,

then, such Indian concern shall, for the purposes of determination of any income accruing or arising in India under the said section, furnish within prescribed period to the prescribed income-tax authority the information or documents in such manner, as may be prescribed.

**507. Submission of statements by producers of cinematograph films or persons engaged in specified activity.**

(1) Any person carrying on the production of a cinematograph film or engaged in any specified activity, or both, during the whole or any part of any tax year shall, furnish within such period, a statement in such form and in such manner, to the prescribed income-tax authority as may be prescribed.

(2) The statement referred in sub-section (1) shall contain particulars of all payments of over Rs50000 in the aggregate made by him or due from him to each such person as is engaged by him in such production or specified activity.

(3) For the purposes of this section, the expression “specified activity” means any event management, documentary production, production of programmes for telecasting on television or over the top platforms or any other similar platform, sports event management, other performing arts or any other activity as the Central Government may, by notification, specify.

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**508. Obligation to furnish statement of financial transaction or reportable account.**

**(1) Any person, being—**

**(a) an assessee; or**

**(b) the prescribed person, in the case of an office of Government; or**

**(c) a local authority or other public body or association; or**

**(d) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or**

**(e) the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988; or**

**(f) the Director General as referred to in section 2(a) of the Post Office Act, 2023; or**

**(g) the Collector referred to in section 3(g) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or**

**(h) the recognised stock exchange referred to in section 2(f) of the Securities Contracts (Regulation) Act, 1956; or**

**(i) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934; or**

**(j) a depository referred to in section 2(1)(e) of the Depositories Act, 1996; or**

**(k) a prescribed reporting financial institution; or**

**(l) any other person, as may be prescribed, who is responsible for registering, or, maintaining books of account or other**

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**document containing a record of any specified financial transaction or any reportable account, as prescribed, under any law in force, shall furnish a statement regarding such specified financial transaction or such reportable account, which is registered or recorded or maintained by him and information relating to which is relevant and required for this Act, to the income-tax authority or such other authority or agency, as may be prescribed.**

**(2) The statement referred to in sub-section (1) shall be furnished for such period, within such time and in the form and manner, as may be prescribed.**

**(3) In sub-section (1), “specified financial transaction” means any transaction—**

**(a) of purchase, sale or exchange of goods or property or right or interest in a property; or**

**(b) for rendering any service; or**

**(c) under a works contract; or**

**(d) by way of an investment made or an expenditure incurred; or**

**(e) for taking or accepting any loan or deposit, as may be prescribed.**

**(4) The Board may prescribe different values for different transactions specified in sub-section (3) for different persons having regard to the nature of such transaction.**

**(5) If the prescribed income-tax authority finds a defect in the statement furnished under sub-section (1), he may intimate the defect to the person furnishing such statement,**

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to rectify the defect within thirty days from the date of such intimation, and at his discretion, extend the said period upon an application made for this purpose.

(6) If the defect mentioned in sub-section (5) remains unrectified within the initial period of thirty days or extended period as applicable, then, the provisions of this Act shall apply as if such person had furnished inaccurate information in the statement, irrespective of anything contained in any other provision of this Act.

(7) If a person required to furnish a statement under sub-section (1) fails to do so within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement, within a period not exceeding thirty days from the date of service of such notice, and he shall furnish the statement within the time specified therein.

(8) If a person, having furnished a statement under sub-section (1), or in pursuance of a notice issued under sub-section (7), becomes aware of any inaccuracy in the information provided, he shall within ten days, inform the prescribed income-tax authority or other authority or agency referred to in sub-section (1), of the inaccuracy and furnish the correct information in such manner, as may be prescribed.

(9) The Central Government may, specify by rules,—

(a) the persons referred to in sub-section (1) to be registered with the prescribed income-tax authority;

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(b) the nature of information and the manner in which such information shall be maintained by the persons referred to in clause (a); and

(c) the due diligence to be carried out by the persons for the identification of any reportable account referred to in sub-section (1).

509. Obligation to furnish information on transaction of crypto-asset.

(1) Any person, being a reporting entity, as may be prescribed, in respect of a crypto-asset, shall furnish information in respect of a transaction of such crypto-asset in a statement, for such period, within such time, in such form and manner and to such income-tax authority, may be as prescribed.

(2) Where the prescribed income-tax authority considers that the statement furnished under sub-section (1) is defective, he may intimate the defect to the person who has furnished such statement and give him an opportunity of rectifying the defect within thirty days from the date of such intimation or such further period as may be allowed, and if the defect is not rectified within such period, the provisions of this Act shall apply as if such person had furnished inaccurate information in the statement.

(3) Where a person who is required to furnish a statement under sub-section (1) has not furnished the same within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement within a period not exceeding thirty days from the

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date of service of such notice and he shall furnish the statement within the time specified in the notice.

(4) If any person, having furnished a statement under sub-section (1), or in pursuance of a notice issued under sub-section (3), comes to know or discovers any inaccuracy in the information provided in the statement, he shall within ten days inform the prescribed income-tax authority, the inaccuracy in such statement and furnish the correct information in such manner as may be prescribed.

(5) The Central Government may, by rules prescribe—

(a) the persons referred to in sub-section (1) to be registered with the prescribed income-tax authority;

(b) the nature of information and the manner in which such information shall be maintained by the persons referred to in clause (a); and

(c) the due diligence to be carried out by the persons referred to in sub-section (1) for the purpose of identification of any crypto-asset user or owner.

(6) For the purposes of this section, the expression “crypto-asset” shall have the meaning assigned to it in section 2(111)(d).

510. Annual information statement.

(1) The prescribed income-tax authority or the person authorised by such authority, shall upload in the registered account of the assessee an annual information statement in such form and manner, within such time and along with such information, which is in the possession of an income-tax authority, as may be prescribed.

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(2) In sub-section (1), “registered account” means the electronic filing account registered by the assessee in the web portal, as may be designated by the prescribed income-tax authority or the person authorised by such authority.

511. Furnishing of report in respect of international group.

(1) Every constituent entity resident in India, shall, if it is constituent of an international group, the parent entity of which is not resident in India, notify the prescribed income-tax authority in the form and manner, on or before such date, as may be prescribed,—

(a) whether it is the alternate reporting entity of the international group; or

(b) the details of the parent entity or the alternate reporting entity, if any, of the international group, and the country or territory of which the said entities are resident.

(2) Every parent entity or the alternate reporting entity, resident in India, shall, for every reporting accounting year, in respect of the international group of which it is a constituent, furnish a report, to the prescribed income-tax authority within twelve months from the end of the said reporting accounting year, in such form and manner, as may be prescribed.

(3) In sub-sections (2) and (4), the report in respect of an international group shall include—

(a) the aggregate information in respect of the amount of revenue, profit or loss before income-tax, amount of income-tax paid, amount of income-tax accrued, stated capital, accumulated earnings, number of employees and tangible

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**assets not being cash or cash equivalents, with regard to each country or territory in which the group operates;**

**(b) the details of each constituent entity of the group including the country or territory in which such constituent entity is incorporated or organised or established and the country or territory where it is resident;**

**(c) the nature and details of the main business activity or activities of each constituent entity; and**

**(d) any other information, as may be prescribed.**

**(4) A constituent entity of an international group, resident in India, other than the entity referred to in sub-section (2), shall furnish the report referred to in the said sub-section, in respect of the international group for a reporting accounting year within the period, as may be prescribed, if the parent entity is resident of a country or territory,—**

**(a) where the parent entity is not obligated to file the report of the nature referred to in the said sub-section; or**

**(b) with which India does not have an agreement providing for exchange of the report of the nature referred to in the said sub-section; or**

**(c) where there has been a systemic failure of the country or territory and such failure has been intimated by the prescribed income-tax authority to such constituent entity.**

**(5) If there are more than one such constituent entities of the group, resident in India, the report as mentioned in sub-section (4) shall be furnished by any one constituent entity, if—**

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**(a) the international group has designated such entity to furnish the report as per sub-section (2) on behalf of all the constituent entities resident in India; and**

**(b) the information has been conveyed in writing on behalf of the group to the prescribed income-tax authority.**

**(6) The provisions of sub-sections (4) and (5) shall not apply, if—**

**(a) an alternate reporting entity of the international group has furnished a report of the nature referred to in sub-section (2), with the tax authority of the country or territory in which such entity is resident, on or before the date specified by that country or territory; and**

**(b) the following conditions are satisfied:—**

**(i) the said report is required to be furnished under any law in force in the said country or territory;**

**(ii) the said country or territory has entered into an agreement with India providing for exchange of the said report;**

**(iii) the prescribed income-tax authority has not conveyed any systemic failure in respect of the said country or territory to any constituent entity of the group that is resident in India;**

**(iv) the said country or territory has been informed in writing by the constituent entity that it is the alternate reporting entity on behalf of the international group; and**

**(v) the prescribed income-tax authority has been informed by the entity referred to in sub-sections (4) and (5) as per sub-section (1).**

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**(7) The prescribed income-tax authority may, for determining the accuracy of the report furnished by any reporting entity, issue notice in writing, requiring the entity to produce such information and document as specified in the notice within thirty days of the date of receipt of the notice and such period may be extended by up to an additional thirty days upon application by the entity.**

**(8) The provisions of this section shall not apply to an international group for an accounting year, if the total consolidated group revenue, as per the consolidated financial statement for the accounting year preceding such accounting year, does not exceed the prescribed amount.**

**(9) The provisions of this section shall be applied as per such guidelines and subject to such conditions, as may be prescribed.**

**(10) For the purposes this section,—**

**(a) “accounting year” means,—**

**(i) a tax year, in a case where the parent entity is resident in India; or**

**(ii) an annual accounting period, with respect to which the parent entity of the international group prepares its financial statements under any law in force or the applicable accounting standards of the country or territory of which such entity is resident, in any other case;**

**(b) “agreement” means a combination of all of the following agreements:—**

**(i) an agreement entered into under section 159(1) or (2); and**

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**(ii) an agreement for exchange of the report referred to in sub-section (2) and notified by the Central Government;**

**(c) “alternate reporting entity” means any constituent entity of the international group that has been designated by such group, in the place of the parent entity, to furnish the report of the nature referred to in sub-section (2) in the country or territory in which the said constituent entity is resident on behalf of such group;**

**(d) “constituent entity” means—**

**(i) any separate entity of an international group that is included in the consolidated financial statement of the said group for financial reporting purposes, or may be so included for the said purpose, if the equity share of any entity of the international group were to be listed on a stock exchange;**

**(ii) any such entity that is excluded from the consolidated financial statement of the international group solely on the basis of size or materiality; or**

**(iii) any permanent establishment of any separate business entity of the international group included in sub-clause (i) or (ii), if such business unit prepares a separate financial statement for such permanent establishment for financial reporting, regulatory, tax reporting or internal management control purposes;**

**(e) “group” includes a parent entity and all the entities in respect of which, for the reason of ownership or control, a consolidated financial statement for financial reporting purposes—**

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**(i) is required to be prepared under any law in force or the accounting standards of the country or territory of which the parent entity is resident; or**

**(ii) would have been required to be prepared, had the equity shares of any of the enterprises were listed on a stock exchange in the country or territory of which the parent entity is resident;**

**(f) “consolidated financial statement” means the financial statement of an international group in which the assets, liabilities, income, expenses and cash flows of the parent entity and the constituent entities are presented as those of a single economic entity;**

**(g) “international group” means any group that includes—**

**(i) two or more enterprises which are resident of different countries or territories; or**

**(ii) an enterprise, being a resident of one country or territory, which carries on any business through a permanent establishment in other countries or territories;**

**(h) “parent entity” means a constituent entity, of an international group holding, directly or indirectly, an interest in one or more of the other constituent entities of the international group, such that—**

**(i) it is required to prepare a consolidated financial statement under any law in force or the accounting standards of the country or territory of which the entity is resident; or**

**(ii) it would have been required to prepare a consolidated financial statement had the equity shares of any of the enterprises were listed on a stock exchange,**

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**and, there is no other constituent entity of such group which, due to ownership of any interest, directly or indirectly, in the first mentioned constituent entity, is required to prepare a consolidated financial statement, under the circumstances referred to in sub-clause (i) or (ii), that includes the separate financial statement of the first mentioned constituent entity;**

**(i) “permanent establishment” shall have the meaning assigned to it in section 173(c);**

**(j) “reporting accounting year” means the accounting year in respect of which the financial and operational results are required to be reflected in the report referred to in sub-sections (2), (4) and (5);**

**(k) “reporting entity” means the constituent entity including the parent entity or the alternate reporting entity, that is required to furnish a report of the nature referred to in sub-section (2);**

**(l) “systemic failure” with respect to a country or territory means that the country or territory has an agreement with India providing for exchange of report of the nature referred to in sub-section (2), but—**

**(i) in violation of the said agreement, it has suspended automatic exchange; or**

**(ii) has persistently failed to automatically provide to India the report in its possession in respect of any international group having a constituent entity resident in India.**

**512. Publication of information respecting assesseees in certain cases.**

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**(1) If the Central Government is of the opinion that it is necessary or expedient in the public interest to publish the names of any assessee and any other particulars relating to any proceedings or prosecutions under this Act in respect of such assessee, it may publish such names and particulars in such manner as it thinks fit.**

**(2) No publication under this section shall be made for any penalty imposed under this Act, until the time for filing an appeal under section 356 or 357 has expired and no appeal has been filed, or if an appeal is filed, it has been disposed of.**

**(3) The names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association, as the case may be, may also be published under sub-section (1), if, in the opinion of the Central Government, the circumstances of the case justify it.**

**513. Appearance by registered valuer in certain matters.**

**(1) Any assessee, entitled or required to attend before any income-tax authority or the Appellate Tribunal in matters relating to the valuation of any asset, may attend through a registered valuer.**

**(2) The provisions of sub-section (1) shall not apply, where the assessee is required to attend personally for examination on oath or affirmation under section 246.**

**(3) For the purposes of this section, the expression “registered valuer” means a person registered as a valuer under section 514.**

**514. Registration of Valuers.**

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**(1) The Principal Chief Commissioner or Chief Commissioner, or the Principal Director General or Director General, shall maintain a register of valuers in which the names and addresses of persons registered under sub-section (2) shall be entered.**

**(2) Any person, possessing such qualification for valuing such class of assets, as may be prescribed, may apply to the Principal Chief Commissioner or Chief Commissioner, or the Principal Director General or Director General, for getting registered as a valuer, in such form, verified in such manner and accompanied by such fee, as may be prescribed, along with a declaration stating that the applicant will—**

**(a) conduct an impartial and true valuation of any asset required to be valued;**

**(b) furnish a valuation report in the prescribed form;**

**(c) charge fees not exceeding the prescribed rate or rates; and**

**(d) refrain from undertaking the valuation of any asset in which such person has a direct or indirect interest.**

**(3) The valuation report prepared by a registered valuer for any asset shall be in such form and verified in such manner, as may be prescribed.**

**515. Appearance by authorised representative.**

**(1) An assessee, entitled or required to attend before any income-tax authority or the Appellate Tribunal for any proceeding under this Act, may attend through an authorised representative.**

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**(2) The provisions of sub-section (1) shall not apply where an assessee is required to attend personally for examination on oath or affirmation under section 246.**

**(3) For the purposes of this section,—**

**(a) “authorised representative” means a person authorised by the assessee, in writing, to appear on his behalf, being—**

**(i) a person related to or regularly employed by the assessee in any manner; or**

**(ii) any officer of a scheduled bank with which the assessee maintains a current account or has other regular dealings; or**

**(iii) any legal practitioner, who is entitled to practise in any civil court in India; or**

**(iv) an accountant; or**

**(v) any person, who has passed any accountancy examination recognised by the Board; or**

**(vi) any person, who has acquired such educational qualifications, as may be prescribed; or**

**(vii) any person who, before the coming into force of the Income-tax Act, 1961 in the Union territory of Dadra and Nagar Haveli, Goa, Daman and Diu, or Pondicherry, attended before an income-tax authority in the said territory on behalf of any assessee otherwise than as an employee or relative of that assessee; or**

**(viii) any other person who was an authorised representative in accordance with the provisions of section 288(2)(vii) of the Income-tax Act, 1961; or**

**(ix) any other person as may be prescribed;**

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**(b) “accountant” means a chartered accountant as defined in section 2(1)(b) of the Chartered Accountants Act, 1949, who holds a valid certificate of practice under section 6(1) of that Act, but does not include [except for representing the assessee under sub-section (1)],—**

**(i) in case of an assessee, being a company, a person who is not eligible for appointment as an auditor of the said company under section 141(3) of the Companies Act, 2013; or**

**(ii) in any other case,—**

**(A) the assessee himself, or in the case of being a firm or association of persons or a Hindu undivided family, any partner of such firm or a member of such association or such Hindu undivided family;**

**(B) for an assessee, being a registered non-profit organisation, any person referred to in section 355(h)(i) or (ii) or (iii) or (iv);**

**(C) for any person other than the persons referred to in sub-clauses (A) and (B), the person who is competent to verify the return under section 263 as per section 265;**

**(D) any relative of any of the persons referred to in sub-clauses (A), (B) and (C);**

**(E) an officer or employee of the assessee;**

**(F) an individual, who, is a partner, or who is in the employment, of an officer or employee of the assessee;**

**(G) an individual, who or his relative or partner—**

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**(I) is holding any security of, or interest in, the assessee and the face value of such security or interest held by his relative does not exceed Rs100000;**

**(II) is indebted to the assessee, and such debt in case of his relative does not exceed Rs100000;**

**(III) has given a guarantee or provided security in connection with the indebtedness of a third person to the assessee and such relative gives a guarantee or provides security for an amount not exceeding Rs100000;**

**(H) a person who, whether directly or indirectly, has business relationship with the assessee of such nature, as may be prescribed;**

**(I) a person convicted by a court of an offence involving fraud and ten years has not elapsed from the date of such conviction.**

**(4) No person,—**

**(a) who has been dismissed or removed from Government service; or**

**(b) who has been convicted of an offence connected with any income-tax proceeding or on whom a penalty has been imposed under this Act, except a penalty imposed under section 271(1)(ii) or 272A(1)(d) of the Income-tax Act, 1961 or section 465(1)(d) of this Act; or**

**(c) who has become an insolvent; or**

**(d) who has been convicted by a court for an offence involving fraud, shall be qualified to represent an assessee under sub-section (1), for—**

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- (i) all times, in case of a person referred to in clause (a);**
- (ii) such time as the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner may by order determine, in case of a person referred to in clause (b);**
- (iii) the period during which the insolvency continues, in case of a person referred to in clause (c); and**
- (iv) ten years from the date of conviction, in case of a person referred to in clause (d).**

**(5) If a person,—**

**(a) who is a legal practitioner or an accountant, is found guilty of misconduct in his professional capacity by any authority authorised to institute disciplinary proceedings against him, the order passed by that authority shall affect his right to attend before an income-tax authority in the same manner as it affects his right to practise as a legal practitioner or accountant, as the case may be;**

**(b) who is not a legal practitioner or an accountant, and is found guilty of misconduct in any income-tax proceedings by the prescribed income-tax authority, he may be directed by such authority that he shall henceforth be disqualified from representing an assessee under sub-section (1).**

**(6) Every order or direction under sub-section (4)(b) or (5)(b) shall be subject to the following conditions:—**

**(a) no such order or direction shall be made against any person unless he has been given a reasonable opportunity of being heard;**

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**(b) any person against whom such an order or direction is made may, within one month of the said order or direction, appeal to the Board to have the order or direction cancelled; and**

**(c) no such order or direction shall take effect until one month has passed from the making thereof, or, if an appeal has been filed, until the disposal of the appeal.**

**(7) A person disqualified to represent an assessee by virtue of section 61(3) of the Indian Income-tax Act, 1922 or section 288(5) of the Income-tax Act, 1961 shall be disqualified to represent an assessee under sub-section (1).**

**(8) For the purposes of this section, the expression “relative”, in relation to an individual, means—**

**(a) spouse of the individual;**

**(b) brother or sister of the individual;**

**(c) brother or sister of the spouse of the individual;**

**(d) any lineal ascendant (maternal or paternal) or descendant of the individual;**

**(e) any lineal ascendant (maternal or paternal) or descendant of the spouse of the individual;**

**(f) spouse of a person referred to in clauses (b), (c), (d) or (e);**

**(g) any lineal descendant of a brother or sister of either the individual or the spouse of the individual.**

**516. Rounding off of amount of total income, or amount payable or refundable.**

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**The amount of total income computed or any amount payable or refundable under this Act, shall be rounded off to the nearest multiple of Rs10 ignoring any part of a rupee consisting of paise and thereafter if such amount is not a multiple of ten, then—**

**(a) such amount shall be increased to the next higher amount which is a multiple of ten, if the last figure in that amount is five or more; or**

**(b) such amount shall be reduced to the next lower amount which is a multiple of ten, if the last figure is less than five, and the amount so rounded off shall be deemed to be the total income of the assessee or the amount payable or refundable, as the case may be, under this Act.**

**517. Receipt to be given.**

**A receipt shall be given for any money paid or recovered under this Act.**

**518. Indemnity.**

**Every person deducting, retaining, or paying any tax in pursuance of this Act in respect of an income belonging to another person shall be indemnified for the deduction, retention, or payment thereof.**

**519. Power to tender immunity from prosecution.**

**(1) The Central Government may, if it is of the opinion that with a view to obtaining the evidence of any person appearing to have been directly or indirectly concerned in or privy to the concealment of income or to the evasion of payment of tax on income it is necessary or expedient so to**

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do, for reasons to be recorded in writing, tender to such person,—

(a) immunity from prosecution for any offence under this Act or under the Bharatiya Nyaya Sanhita, 2023, or under any other Central Act in force; and

(b) from imposition of any penalty under this Act on condition of his making a full and true disclosure of the whole circumstances relating to the concealment of income or evasion of payment of tax on income.

(2) A tender of immunity made to, and accepted by, the person concerned, shall, to the extent to which the immunity extends, render him immune from prosecution for any offence in respect of which the tender was made, or from the imposition of any penalty under this Act.

(3) If it appears to the Central Government that any person to whom immunity has been tendered under this section—

(a) has not complied with the conditions on which the tender was made; or

(b) is wilfully concealing anything; or

(c) is giving false evidence, the Central Government may record a finding to that effect, and thereupon the immunity shall be deemed to have been withdrawn.

(4) The person whose immunity has been withdrawn under sub-section (3) may be tried for the offence in respect of which the tender of immunity was made or for any other offence of which he appears to have been guilty in connection with the same matter and shall also become liable to

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imposition of any penalty under this Act to which he would otherwise have been liable.

520. Cognizance of offences.

No court inferior to that of a Judicial Magistrate of the first class shall try any offence under this Act.

521. Probation of Offenders Act, 1958 and section 401 of Bharatiya Nagarik Suraksha Sanhita, 2023, not to apply.

The provisions of the Probation of Offenders Act, 1958 and section 401 of the Bharatiya Nagarik Suraksha Sanhita, 2023 shall not apply to a person convicted of an offence under this Act unless that person is under eighteen years of age.

522. Return of income, etc., not to be invalid on certain grounds.

No return of income, assessment, notice, summons or other proceeding, furnished or made or issued or taken, or purported to have been furnished or made or issued or taken, in pursuance of any of the provisions of this Act, shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such return of income, assessment, notice, summons or other proceeding, if such return of income, assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purposes of this Act.

523. Notice deemed to be valid in certain circumstances.

(1) Where an assessee has appeared in any proceeding or co-operated in any inquiry relating to an assessment or reassessment, it shall be deemed that any notice under this Act, which is required to be served upon him, has been duly

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served upon him in time as per the provisions of this Act and such assessee shall be precluded from taking any objection in any proceeding or inquiry under this Act that the notice was—

- (a) not served upon him; or
- (b) not served upon him in time; or
- (c) served upon him in an improper manner.

(2) The provisions of sub-section (1) shall not apply where the assessee has raised such objection before the completion of such assessment or reassessment.

**524. Presumption as to assets, books of account, etc.**

(1) Where any books of account, other documents, money, bullion, jewellery, virtual digital asset or other valuable article or thing or any information in electronic form as defined in section 261(g) or on a computer system as defined in section 261(e) or any computer system containing the said information, is found in the possession or control of any person in the course of a search under section 247 or survey under section 253, it may, in any proceeding under this Act, be presumed—

- (a) that such books of account, other documents, money, bullion, jewellery, virtual digital asset or other valuable article or thing such information or computer system belong or belongs to such person;
- (b) that the contents of such books of account and other documents or such information or computer system are true;

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**(c) that the signature and every other part of such books of account and other documents, which purports to be in the handwriting of any particular person, or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in the handwriting of that person;**

**(d) in the case of a document stamped, executed or attested, that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested; and**

**(e) that exchange of such information in electronic form, or on such computer system purported to be exchanged between any parties, is exchanged between the parties thereto.**

**(2) Where any books of account, other documents or assets have been delivered to the requisitioning officer as per section 248, then, the provisions of sub-section (1) shall apply as if such books of account, other documents or assets, which had been taken into custody from the person referred to in sub-section (1)(a) or (b) or (c) of the said section, had been found in the possession or control of that person in the course of a search under section 247.**

**525. Authorisation and assessment in case of search or requisition.**

**(1) Irrespective of anything contained in this Act,—**

**(a) it shall not be necessary to issue an authorisation under section 247 or make a requisition under section 248 separately in the name of each person;**

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**(b) where an authorisation under section 247 has been issued or requisition under section 248 has been made mentioning therein the name of more than one person, the mention of such names of more than one person on such authorisation or requisition shall not be deemed to construe that it was issued in the name of an association of persons or body of individuals consisting of such persons.**

**(2) Irrespective of an authorisation issued under section 247 or a requisition made under section 248 mentioning therein the name of more than one person, the assessment or reassessment shall be made separately in the name of each of the persons mentioned in such authorisation or requisition.**

**526. Bar of suits in civil courts.**

**No suit shall be brought in any civil court to set aside or modify any proceeding taken or order made under this Act, and no prosecution, suit or other proceeding shall lie against the Government or any officer of the Government for anything in good faith done or intended to be done under this Act.**

**527. Power to make exemption, etc., in relation to participation in business of prospecting for, extraction, etc., of mineral oils.**

**(1) If the Central Government is satisfied that it is necessary or expedient in the public interest, it may, by notification, make an exemption, reduction in rate, or other modification of income-tax for any class of persons specified in sub-section (2) or in regard to the whole or any part of the income of such class of persons or the status in which such class of persons or the members thereof are to be assessed on their**

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income from the business referred to in sub-section (2)(a), effective from tax year beginning on or after 1st April, 1992.

(2) The persons referred to in sub-section (1) shall be the following:—

(a) persons with whom the Central Government has entered into agreements for the association or participation of that Government, or any person authorised by that Government in any business of prospecting for or extraction or production of mineral oils;

(b) persons providing any services or facilities or supplying any ship, aircraft, machinery or plant (whether by sale or hire) for any business consisting of the prospecting for or extraction or production of mineral oils carried on by that Government, or any person specified by that Government by notification; and

(c) employees of the persons referred to in clause (a) or (b).

(3) Every notification issued under this section shall be laid before each House of Parliament.

(4) For the purposes this section,—

(a) “mineral oil” includes petroleum and natural gas;

(b) “status” means the category of person as defined in section 2(77) under which the assessee is assessed.

**528. Power of Central Government or Board to condone delays in obtaining approval.**

Where, the approval of the Central Government or the Board is required to be obtained before a specified date under this Act, it shall be open to the Central Government or

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the Board to condone, for sufficient cause, any delay in obtaining such approval.

**529. Power to withdraw approval.**

Where the Central Government or the Board or an income-tax authority, has the power to grant any approval under any provision of this Act to any assessee, the Central Government or the Board or such income-tax authority may, withdraw such approval at any time after recording the reasons therefor, even if such provision does not specifically allow for its withdrawal, after giving such assessee a reasonable opportunity of being heard.

**530. Act to have effect pending legislative provision for charge of tax.**

If on the 1st April in any tax year, provision has not yet been made by a Central Act for the charging of income-tax for that tax year, this Act shall nevertheless have effect until such provision is so made, as if the provision in force in the preceding tax year or the provision proposed in the Bill then before Parliament, whichever is more favourable to the assessee, were actually in force.

**531. Power to rescind exemption in relation to certain Union territories already granted under section 294A of the Income-tax Act, 1961.**

Where the Central Government considers it necessary or expedient so to do may, by general or special order, rescind an exemption, reduction in rate or other modification in respect of income-tax or super-tax in favour of any assessee or class of assessee or in regard to the whole or any part of

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the income of any assessee or class of assessees, made as per the provisions of section 294A of the Income-tax Act, 1961.

**532. Power to frame Schemes.**

(1) The Central Government may, by notification, make a scheme for any of the purposes of this Act, so as to impart greater efficiency, transparency and accountability by—

(a) eliminating the interface with the assessee or any other person to the extent technologically feasible;

(b) optimising utilisation of the resources through economies of scale and functional specialisation.

(2) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (1), by notification, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as specified in the notification.

(3) Where a scheme has been notified under the provisions of the Income-tax Act, 1961 with a view to eliminating the interface with the assessee or any other person, the Central Government may, by notification, amend or modify the said scheme as per the provisions of sub-section (1), and the provisions of sub-section (2) shall apply accordingly.

(4) Every notification issued under sub-sections (1), (2) and (3) shall, as soon as may be after the notification is issued, be laid before each House of Parliament.

**533. Power to make rules.**

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**(1) The Board may, subject to the control of the Central Government, by notification, make rules for carrying out the purposes of this Act.**

**(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters:—**

**(a) the ascertainment and determination of any class of income;**

**(b) the manner in which and the procedure by which the income shall be arrived at in the case of—**

**(i) income derived in part from agriculture and in part from business;**

**(ii) persons residing outside India;**

**(iii) operations carried out in India by a non-resident;**

**(iv) transactions or activities of a non-resident;**

**(v) an individual who is liable to be assessed under section 99(3) and (4);**

**(c) the determination of the value of any perquisite chargeable to tax under this Act in such manner and on such basis as appears to the Board to be proper and reasonable;**

**(d) the percentage on the written down value which may be allowed as depreciation for buildings, machinery, plant or furniture;**

**(e) the matters specified in section 62;**

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**(f) the conditions or limitations subject to which any payment of rent made by an assessee shall be deducted under section 134;**

**(g) the matters specified in Chapter XI;**

**(h) the time within which any person may apply for the allotment of a Permanent Account Number, the form and the manner in which such application may be made and the particulars which such application shall contain and the transactions with respect to which Permanent Account Number shall be quoted on documents relating to such transactions under section 262;**

**(i) the documents, statements, receipts, certificates or audited reports which may not be furnished along with the return but shall be produced before the Assessing Officer on demand under section 263(2)(a);**

**(j) the class or classes of persons who shall be required to furnish the return of income in electronic form; the form and the manner of furnishing the said return in electronic form; documents, statements, receipts, certificates or reports which shall not be furnished with the return in electronic form and the computer resource or electronic record to which such return may be transmitted under section 263(2)(a);**

**(k) the cases, the nature and value of assets, the limits and heads of expenditure and the outgoings, which are required to be prescribed under section 263(2)(b);**

**(l) the form of the report of audit or inventory valuation and the particulars which such report shall contain under section 268(5);**

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**(m) remuneration of Chairperson and members of the Approving Panel under section 274(21) and procedure and manner for constitution of, functioning and disposal of references by, the Approving Panel under section 274(24);**

**(n) the form and manner in which the information relating to payment of any sum may be furnished under section 397(3)(d);**

**(o) the authority to be prescribed for any of the purposes of this Act;**

**(p) the procedure for giving effect to any agreement for the granting of relief in respect of double taxation or for the avoidance of double taxation entered into by the Central Government under this Act;**

**(q) the procedure for granting of relief or deduction, of any income-tax paid in any country or specified territory outside India, under section 159 or 160, against the income-tax payable under this Act;**

**(r) the form and manner in which any application, claim, return or information may be made or furnished and the fees that may be levied in respect of any application or claim;**

**(s) the manner in which any document required to be filed under this Act may be verified;**

**(t) the procedure to be followed on applications for refunds;**

**(u) the procedure for calculating interest payable by assesseees or by the Government to assesseees under this Act, including the rounding off of periods when a fraction of a month is involved, and specifying the circumstances under which and**

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the extent to which petty amounts of interest payable by assesses may be ignored;

(v) the regulation of any matter for which provision is made in section 420;

(w) the form and manner in which any appeal or cross-objection may be filed under this Act, the fee payable in respect thereof and the manner in which intimation referred to in section 358(3)(b) may be served;

(x) the circumstances, conditions and the manner in which, the Joint Commissioner (Appeals) or the Commissioner (Appeals) may permit an appellant to produce evidence which he did not produce or which he was not allowed to produce before the Assessing Officer;

(y) the form in which the statement under section 507 shall be delivered to the Assessing Officer;

(z) the maintenance of a register of persons other than legal practitioners or accountants practising before income-tax authorities and for the constitution of and the procedure to be followed by the authority referred to in section 515(5);

(za) the issue of certificate verifying the payment of tax by assesses;

(zb) any other matter which by this Act is to be, or may be, prescribed.

(3) In cases falling under sub-section (2)(b), where the income liable to tax cannot be definitely ascertained, or can be ascertained only with an amount of trouble and expense to the assessee, which is unreasonable, the rules made under this section may—

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**(a) prescribe methods by which an estimate of such income may be made; and**

**(b) in cases of income derived in part from agriculture and in part from business, specify the proportion of the income which shall be deemed to be income liable to tax, and an assessment based on such estimate or proportion shall be deemed to be duly made as per this Act.**

**(4) The power to make rules conferred by this section shall include the power to give retrospective effect, from a date not earlier than the date of commencement of this Act, to the rules or any of them and, unless the contrary is permitted (whether expressly or by necessary implication), no retrospective effect shall be given to any rule so as to prejudicially affect the interests of assesseees.**

**534. Laying before Parliament.**

**The Central Government shall cause—**

**(a) every rule made under this Act;**

**(b) rules of procedure framed by the Appellate Tribunal under section 364; or**

**(c) every notification issued under sections 263(3) and 264 and Chapter XIII-G, to be laid, as soon as may be after it is made or issued, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in such rule, or notification or both Houses agree that the rule, should not be**

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**made or the notification should not be issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.**

**535. Removal of difficulties.**

**(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by general or special order, do anything not inconsistent with such provisions which appears to it to be necessary or expedient for the purpose of removing the difficulty.**

**(2) In particular, and without prejudice to the generality of the foregoing power, any order referred to in sub-section (1) may provide for the adaptations or modifications subject to which the Income-tax Act, 1961 shall apply in relation to the assessments for the tax year ending on the 31st March, 2026, or any earlier tax year.**

**(3) No order under sub-section (1) shall be made after the expiration of three years from the 1st April, 2026.**

**(4) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.**

**536. Repeal and savings.**

**(1) The Income-tax Act, 1961 is hereby repealed.**

**(2) Irrespective of the repeal of the Income-tax Act, 1961 (herein referred to as the repealed Income-tax Act), and subject to sub-section (3)—**

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(a) nothing shall affect the previous operation of the repealed Income-tax Act and orders or anything duly done or suffered thereunder; or

(b) nothing shall affect any right, privilege, obligation or liability acquired, accrued or incurred under the repealed Income-tax Act or orders under such repealed Act;

(c) the provisions of the repealed Income-tax Act shall continue to apply to any proceeding pending on the date of commencement of this Act and to any proceedings initiated on after the 1st April, 2026 (including notices, assessment, re-assessment, recomputation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the repealed Income-tax Act;

(d) any proceeding for the imposition of a penalty in respect of any tax year beginning before the 1st April, 2026, may be initiated and any such penalty may be imposed under the repealed Income-tax Act, as if this Act had not been enacted;

(e) any proceeding pending on the commencement of this Act before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any other means, shall be continued and disposed of as if this Act had not been enacted;

(f) any election or declaration made, or option exercised, by an assessee under any provision of the repealed Income-tax Act and in force immediately before the commencement of this Act shall be deemed to have been an election or

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declaration made, or option exercised, under the corresponding provision of this Act;

(g) where in respect of any proceeding relating to any tax year beginning before the 1st April, 2026,—

(i) a refund falls due after commencement of this Act; or

(ii) default is made after such commencement in the payment of any sum due under such proceeding, the provisions of this Act, relating to interest payable by the Central Government on refunds and interest payable by the assessee for default, shall apply for the period after the commencement of this Act;

(h) where any deduction has been allowed or any amount has not been included in the total income of any person, subject to fulfilment of certain conditions for any tax year beginning before the 1st April, 2026, and in case of violation of such conditions in any tax year beginning on or after 1st April, 2026, any sum (on account of deduction earlier allowed or amount not included) was required to be included in the total income of such subsequent tax year under the repealed Income-tax Act if it had not been so repealed, then such sum shall be—

(i) deemed to be the income of the tax year in which the violation takes place; and

(ii) included in the total income of the said person under the same head of income as it would have been included under the repealed Income-tax Act;

(i) any sum payable under the repealed Income-tax Act may be recovered under this Act without prejudice to any action

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already taken for the recovery of such sum under repealed Income-tax Act;

(j) any agreement entered into, appointment made, approval given, recognition granted, circular, direction, instruction, notification, order or rule or any scheme framed therein issued under any provision of the repealed Income-tax Act shall, so far as it is not inconsistent with the corresponding provisions of this Act, be deemed to have been entered into, made, granted, given or issued under the corresponding provision of this Act and shall continue in force accordingly;

(k) where the period provided for any application, appeal, reference or revision under the repealed Income-tax Act had expired on or before the commencement of this Act, nothing in this Act shall be construed as enabling any such application, appeal, reference or revision to be made under this Act by reason only of the fact that a longer period therefor is prescribed or provision is made for extension of time in suitable cases by the appropriate authority;

(l) any amount of credit, in respect of tax paid, allowable to be carried forward in the case of an assessee, under the provisions of section 115 JAA or 115JD of the repealed Income-tax Act for the tax year beginning before the 1st April 2026, had the Income-tax Act, 1961 not been repealed,—

(i) shall be deemed to be the amount eligible for credit under corresponding provision of this Act in the case of said assessee; and

(ii) credit for the tax paid under the repealed Income-tax Act shall be allowed under this Act for the period for which it

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would have been allowed under the repealed Income-tax Act if the assessee otherwise continues to satisfy the conditions as specified in the corresponding provisions of this Act in such tax years;

(m) any amount of loss under the source or head of income specified in column B of the Table given below and referred to in the section of the repealed Income-tax Act specified in column C of the said Table, brought forward for the tax year beginning before the 1st April, 2026 had the Income-tax Act, 1961 not been repealed, shall be set off and carried forward against the income computed under this Act, in the manner provided in the respective section of the repealed Income-tax Act specified in column C of the said table, for the tax years beginning on or after the 1st April, 2026:

TABLE

| Sl. No. | Source or head of income under the repealed Income-tax Act | Section of the repealed Income-Tax Act |
|---------|------------------------------------------------------------|----------------------------------------|
| A       | B                                                          | C                                      |
| 1.      | Income from house property.                                | 71B.                                   |
| 2.      | Profits and gains of business or profession.               | 72.                                    |
| 3.      | Speculation business.                                      | 73.                                    |
| 4.      | Specified Business.                                        | 73A.                                   |
| 5.      | Activity of owning and maintaining race horses.            | 74A.                                   |

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(n) any amount of loss under the head capital gains, whether related to a long-term capital asset or a short term capital asset, referred to in section 74 of the repealed Income-tax Act, brought forward from the tax year beginning before the 1st April, 2026 had the Income-tax Act, 1961 not been repealed, shall be carried forward and set off, in accordance with the manner provided in the repealed Income-tax Act, against the income under the head “Capital gains” computed under this Act for any tax year beginning on or after the 1st April, 2026 upto eight financial years immediately succeeding the financial year in which such loss was first computed under the repealed Income-tax Act;

(o) any set off of loss or allowance for depreciation made in any tax year beginning before the 1st April, 2026 in the hands of the amalgamated company, successor company or the successor limited liability partnership, in accordance with the provisions of section 72A of the repealed Income-tax Act, shall be deemed to be the income of the amalgamated company, successor company or the successor limited liability partnership, as the case may be, chargeable to tax under this Act for the year in which any of the conditions specified in that section are not complied with;

(p) any set off of accumulated loss or unabsorbed depreciation allowed in any tax year beginning before the 1st April, 2026 to the successor co-operative bank, in accordance with the provisions of section 72AB of the repealed Income-tax Act, shall be deemed to be the income of the successor co-operative bank chargeable to tax under this Act for the year in which any of the conditions specified in that section are not complied with;

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**(q) any amount of profits or gains arising out of transfer of capital asset not charged under the head capital gains by virtue of the provisions contained in section 47(iv), (v), (xiii), (xiiib) or (xiv) of the repealed Income-tax Act in any tax year beginning before the 1st April, 2026 shall be deemed to be the income chargeable under the head “Capital gains” under this Act, for the tax year—**

**(A) in which the transfer took place if any of the conditions laid down in section 47A(1)(i) or (ii) of the repealed Income-tax Act are satisfied; or**

**(B) in which any of the conditions laid down in section 47(xiii), (xiiib) or (xiv) of the repealed Income-tax Act are not complied with, as the case may be;**

**(r) where any allowance or part thereof, under section 32(2) or 35(4) of the repealed Income-tax Act, is to be carried forward to tax year beginning on the 1st April, 2026, had the Income-tax Act, 1961 not been repealed, then, the allowance or part thereof shall be added to the amount of capital allowances referred to corresponding provisions of this Act for the tax year beginning on the 1st April, 2026 and deemed to be part of that allowance, or if there is no such allowance for that tax year, be deemed to be allowance for that tax year;**

**(s) the deduction referred to in section 35ABA, 35ABB, 35D, 35DD, 35DDA, 35E or the first proviso to section 36(1)(ix) of the repealed Income-tax Act, shall, on fulfilment of the conditions mentioned in the said provisions, continue to be allowed under this Act for tax year beginning on or after the 1st April, 2026 had the Income-tax Act, 1961 not been repealed and such deduction shall be added to the amount of**

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deferred revenue expenditure allowance referred to corresponding provisions of this Act for the tax year beginning on or after the 1st April, 2026 and deemed to be part of that allowance, or if there is no such allowance for a tax year, be deemed to be that allowance for that tax year;

(t) credit balance in the provision for bad and doubtful debts account made under section 36(1)(viiia) of the repealed Income-tax Act standing on the last day of the tax year beginning on 1st April, 2025 shall be added to the amount credited to the provision for bad and doubtful debts accounts referred to in the corresponding provisions of this Act for the tax year beginning on the 1st April, 2026 and deemed to be part of amount credited to the provision for bad and doubtful debts accounts, or if there is no such amount credited for that tax year, be deemed to be amount credited for that tax year;

(u) any scheme which has been notified under the provisions of the repealed Income-tax Act with a view to eliminating the interface with the assessee or any other person, the said scheme shall be deemed to have been made—

(i) under the corresponding provisions of this Act; or

(ii) under section 532 where there is no such corresponding provision, and shall continue in force accordingly; and

(v) where a search has been initiated under section 132 or requisition is made under section 132A prior to the commencement of this Act, the provisions of repealed Income-tax Act, shall continue to apply to any proceedings connected in respect of such search or requisition, as the case may be, as if this Act has not been enacted.

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**(3) Where any reference is made in this Act to any tax year commencing on 1.4.2025 or to any earlier tax year, the same shall be construed as a reference to the corresponding previous year under the repealed Income-tax Act.**

**(4) Without prejudice to the provisions of sub-section (2), the provisions of section 6 of the General Clauses Act, 1897 shall apply with regard to the effect of repeal.**

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