

INCOME-TAX ACT, 2025

A: Procedure for assessment

Section 271 - Best judgment assessment.

(1) If any person—

(a) fails to furnish the return required under section 263(1) or (4) or (5) or (6); or

(b) fails to comply with all the terms of a notice issued under section 268(1) or fails to comply with a direction issued under section 268(5); or

(c) having made a return, fails to comply with all the terms of a notice issued under section 270(8),

the Assessing Officer, after taking into account all relevant materials which he has gathered, shall, after giving the assessee an opportunity of being heard, make the assessment of the total income or loss to the best of his judgment and determine the sum payable by the assessee on the basis of such assessment.

(2) The Assessing Officer before making an assessment under sub-section (1) shall, subject to the provisions of sub-section (3), serve a notice on the assessee to show cause, on a date and time to be specified in the notice, as to why assessment should not be completed to the best of his judgment.

(3) It shall not be necessary to give the opportunity referred to in sub-section (2) in a case where a notice under section 268(1) has been issued prior to the making of an assessment under this section.