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INCOME-TAX ACT, 2025

A: Procedure for assessment

**Section 288 - Other amendments.**

(1) The Assessing Officer, may carry out such actions as are specified in column B of the Table below for reasons mentioned therein, subject to the conditions as specified in column C, within four years referred to in section 287(8) which shall be reckoned from the time as specified in column D, and the provisions of section 287 shall, so far as may be, apply to such amendment:—

Table

| Sl.No. | Actions | Conditions | Time |
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| A | B | C | D |
| 1. | Amendment of order of assessment of the partner of a firm so as to adjust the income of the partner corresponding to the amount not deductible under section 35(e). | Where any remuneration to any partner determined in completed assessment of the firm is subsequently found not deductible under section 35(e) in terms of—<br><br>(a) assessment or reassessment of the firm; or<br><br>(b) any reduction or enhancement made in the income of the firm under this section or section 287 or 359 or 363 or 365 or 368 or 377 or 378; or<br><br>(c) any order passed under section 245D (4) of the Income-tax Act, 1961 (43 of 1961) on the application made by the firm. | From the end of the financial year in which the subsequent order was passed in the case of the firm. |
| 2. | Amendment of order of assessment of the member of an association of persons or of a body of individuals; so as to include the share of the member in the assessment or the corrections thereof. | Where the share of the member in the income of the association of persons or body of individuals determined in completed assessment is subsequently found not included in the assessment of the member or, if included, is not correct in terms of— | From the end of the financial year in which the subsequent order was passed in the case of the association or body. |

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| | | (a) assessment or reassessment of the association or body;<br><br>(b) any reduction or enhancement made in the income of the association or body under this section or section 287 or 359 or 363 or 365 or 368 or 377 or 378; or<br><br>(c) any order passed under section 245D (4) of the Income-tax Act, 1961 (43 of 1961) on the application made by the association or body. | |
| 3. | Total income of the assessee in respect of succeeding year or years referred to in column C, to be recomputed and necessary amendment made consequent to proceedings initiated under section 279 for any tax year. | Where there is recomputation of loss or depreciation for any tax year, and in consequence to such recomputation, the total income of the assessee for the succeeding year or years to which the loss or depreciation allowance has been carried forward and set off under the provisions of section 111(1) or 112(1) or 113(2) or 115(1) is required to be recomputed. | From the end of the financial year in which the order under section 279 was passed. |
| 4. | The total income of the transferor company for the tax year referred to in column C, to be recomputed and necessary amendment made. | Where in the assessment for any tax year,—<br><br>(a) the capital gain arising from the transfer of a capital asset is not charged under section 67 in terms of section 70(1)(c) or (d);<br><br>(b) such gains are deemed under section 71(1) as “Capital gains” of the tax year in which the transfer took place at any time before the expiry of the period of eight years from the date of such transfer | From the end of the year—<br><br>(i) in which the capital asset was converted or treated as stock-in-trade; or<br><br>(ii) in which the parent company or its nominees or, the holding company ceased to hold the whole of the share capital of the subsidiary company. |

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| | | by reason of––<br><br>(i) such capital asset being converted by the transferee company into, or being treated by it, as stock-in-trade of its business; or<br><br>(ii) the parent company or its nominees or, the holding company ceasing to hold the whole of the share capital of the subsidiary company. | |
| 5. | The order of assessment to be amended; so as to exclude the capital gain not chargeable to tax under any of the sections referred to in section 89. | Where in the assessment for any tax year, a capital gain on transfer of original asset, referred to in section 89 is charged to tax and within the period extended under that section––<br><br>(a) the assessee acquires the new asset referred to in that section; or<br><br>(b) deposits or invests such capital gain. | From the end of the financial year in which the compensation was received by the assessee. |
| 6. | The order of assessment to be amended to allow deduction in respect of such income or part thereof as is so received in, or brought into, India. | Where in the assessment for any year, any deduction under section 144 has not been allowed on the ground that––<br><br>(a) such income has not been received in convertible foreign exchange in India; or<br><br>(b) such income having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, | From the end of the financial year in which such income is so received in, or brought into, India. |

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| | | has not been brought into India, by or on behalf of the assessee with the approval of the Reserve Bank of India or such other authority as is authorised under any law for the time being in force for regulating payments and dealings in foreign exchange,<br><br>and subsequently such income or part thereof has been or is received in, or brought into, India as required for the deduction. | |
| 7. | The order of assessment or any intimation or deemed intimation under section 270(1), to be amended, to give credit for income-tax for the year in which such income is offered to tax or assessed to tax in India. | Where in the assessment for any tax year or in any intimation or deemed intimation under section 270(1) for any tax year,––<br><br>(a) credit for income-tax paid in any country outside India or a specified territory outside India referred to in Chapter IX-B has not been given on the ground that the payment of such tax was under dispute; and<br><br>(b) subsequently such dispute is settled; and the assessee, within six months from the end of the month in which the dispute is settled, furnishes to the Assessing Officer—<br><br>(i) evidence of settlement of dispute and evidence of payment of such tax; and | From the end of the financial year in which such dispute is settled. |

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| | | (ii) an undertaking that no credit in respect of such amount has directly or indirectly been claimed or shall be claimed for any other tax year. | |
| 8. | The order of assessment to be amended to compute the capital gain by taking the full value of the consideration to be the value as so revised in appeal or revision or reference. | Where, in the assessment for any year, a capital gain arising from the transfer of a capital asset, being land or building or both, is computed—<br><br>(a) by taking the full value of the consideration received or accruing as a result of the transfer to be the value adopted or assessed by any authority of a State Government for the purpose of payment of stamp duty as per section 78(1); and<br><br>(b) subsequently such value is revised in any appeal or revision or reference referred to in section 78(2)(b). | From the end of the financial year in which the order revising the value was passed in appeal or revision or reference. |
| 9. | The order of assessment to be amended to compute the capital gain by taking the compensation or consideration as so reduced by the court, Tribunal or any other authority to be the full value of consideration. | (a) Where in the assessment for any year, a capital gain arising from the transfer of a capital asset being a transfer referred to in clause (b) is computed––<br><br>(i) by taking the compensation or consideration as referred to in section 67(12)(a) or, as the case may be, the compensation or consideration enhanced or further enhanced as referred to in section 67(12)(b), to be the full value of consideration deemed to be received or | From the end of the financial year in which the order reducing the compensation was passed by the court, Tribunal or other authority. |

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| | | accruing as a result of the transfer of the asset; and<br><br>(ii) subsequently such compensation or consideration is reduced by any court, Tribunal or other authority.<br><br>(b) The transfer and consideration referred to in clause (a) shall be,—<br><br>(i) Transfer by way of compulsory acquisition under any law;<br><br>(ii) consideration that was determined or approved by the Central Government or the Reserve Bank of India. | |
| 10. | Recomputation of the total income to disallow the deduction allowed under section 152. | Where a deduction has been allowed to an assessee in any tax year under section 152 in respect of any patent, and subsequently by an order of the Controller or the High Court under the Patents Act, 1970 (39 of 1970),—<br><br>(a) the patent was revoked, or<br><br>(b) the name of the assessee was excluded from the patents register as patentee in respect of that patent,<br><br>the deduction from the income by way of royalty attributable to the period during which the patent had been revoked or the period for which name of the assessee was excluded as patentee in respect of that patent, shall be | From the end of the financial year in which the order of the Controller under section 2(1)(b), or the High Court under section 2(1)(i), of the Patents Act, 1970 (39 of 1970), was passed. |

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| | | deemed to have been wrongly allowed. | |
| 11. | Amendment of the order of assessment or any intimation to allow credit of such tax deducted at source in the tax year referred to in column C, and the credit of such tax deducted at source not to be allowed in any other tax year. | (a) Where any income has been included in the return of income furnished by an assessee under section 263 for any tax year, and tax on such income has been deducted at source and paid to the credit of the Central Government as per the provisions of Chapter XIX-B in a subsequent tax year; and<br><br>(b) an application is made by an assessee in such form, as may be prescribed, within two years from the end of the tax year in which such tax was deducted at source. | From the end of the financial year in which such tax has been deducted. |

2) (a) Where the arm's length price is determined in relation to an international transaction or a specified domestic transaction under section 166(6) for any tax year and the Transfer Pricing Officer has declared that an option exercised by the assessee is valid under section 166(9) in respect of such transaction for two consecutive tax years immediately following such tax year, the Assessing Officer shall proceed to recompute the total income of the assessee for the said two consecutive tax years, by amending the order of assessment or any intimation or deemed intimation under section 270(1), as the case may be,—

(i) in conformity with the arm's length price so determined by the Transfer Pricing Officer under section 166(12) in respect of such transaction; and

(ii) taking into account the directions issued under section 275(5), if any, for such tax year,

within three months from the end of the month in which the assessment is completed in the case of the assessee for such tax year, and the provisions of sections 165(7) and (8) shall apply thereto.

(b) Where the order of assessment or any intimation or deemed intimation under section 270(1) as referred to in sub-section (1), for the said two consecutive tax years is not made within the said three months, such recomputation shall be made within three months from the end of the month in which such order of assessment or any intimation or deemed intimation under section 270(1), as the case may be, is made.

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