

Value Added Tax Act, 2003

Section 40 - Period of Limitation for Assessment

(1) An assessment under Section 38 or re-assessment under Section 39 of an amount of tax due for any prescribed tax period shall not be made after the following time limits.-

(a) five years after the end of the prescribed tax period; or

(b) three years after evidence of facts, sufficient in the opinion of the prescribed authority to justify making of the re-assessment, comes to its knowledge,

whichever is later.

(2) If any tax is fraudulently evaded attracting punishment under Section 79, an assessment may be made as if in sub-section (1), reference to five years was a reference to ten years.

(3) In computing the period of limitation specified for assessment or re-assessment, as the case may be under this Act, the period taken for disposal of any appeal against an assessment or other proceeding by the appellate authority, a tribunal or competent court shall not be taken into account in computing such period for assessment or reassessment as the case may be.
