

Finance Act, 1995

Section 32 - INSERTION OF NEW CHAPTER XIV-B " In the Income-tax Act, after Chapter XIV-A, the following Chapter shall be inserted

a) "block period" means the period of ten previous years preceding the previous year in which the search was conducted under section 132 or any requisition was made under section 132A, and includes, in the previous year in which such search was conducted or requisition made, the period up to the date of the commencement of such search or, as the case may be, the date of such requisition. (b) "undisclosed income" includes any money, bullion, jewellery or other valuable article or thing or any income based on any entry in the books of account or other documents or transactions, where such money, bullion, jewellery, valuable article, thing, entry in the books of account of other document or transaction represents wholly or partly income or property which has not been or would not be disclosed for the purposes of this Act. 158BC. Procedure for block assessment." Where any search has been conducted under section 132 or books of account, other documents or assets are requisitioned under section 132A, in the case of any person, then," (a) the Assessing Officer shall serve a notice to such person requiring him to furnish, within such time, not being less than fifteen days, as may be specified in the notice, a return in the prescribed form and verified in the same manner as a return under clause (i) of subsection (1) of section 142, setting forth his total income including the undisclosed income for the block period : Provided that no notice under section 148 is required to be issued for the purposes of proceeding under this Chapter; (b) the Assessing Officer shall proceed to determine the undisclosed income of the block period in the manner laid down in section 158BB and the provisions of section 142, sub-sections (2) and (3) of section 143 and section 144 shall so far as may apply; (c) The Assessing Officer, on determination of the undisclosed income of the block period in accordance with this Chapter, shall pass an order of assessment and determine the tax payable by him on the basis of such assessment; (d) the assets seized under section 132 or requisitioned under section 132A shall be retained to the extent necessary and the provisions of section 132B shall apply subject to such modifications as may be necessary and the references to "regular assessment" in section 132B shall be construed as references to "block assessment". 158D. Undisclosed Income of any other person." Where the Assessing Officer is satisfied that any disclosed income belongs to any person, other than the person with respect to whom search was made under section 132 or whose books of account or other documents or any assets were requisitioned under section 132A. then, the books of account, other documents or assets seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed against such other person and the provisions of this Chapter shall apply accordingly. 158BE. Time limit for completion of block assessment." (1) The order under section 158BC shall be passed within one year from the end of the month in which the last of the authorisations for search under section 132 or for requisition under section 132A, as the case may be, in the case of an assessee, was executed. (2) The period of limitation for completion of block assessment in the case of the other person referred to in section 158BD shall be one year from the end of the month in which the/notice under this Chapter was served on such other person. 158BF. Certain interests and penalties not to be levied or imposed." No interest under the provisions of section 234A, 234B or 234C or penalty under the provisions of clause (c) of sub-section (1) of section 271 or section 271A or section 271B shall be levied or imposed upon the assessee in respect of the undisclosed income determined in the block assessment. 158BG. Authority competent to make the block assessment." The order of assessment for the block period shall be passed by an Assessing Officer not below the rank of an Assistant Commissioner : Provided that no such order shall be passed without the previous approval of the Commissioner. 158BH. Application of other provisions of this Act." Save as otherwise provided in this Chapter, all other provisions of this Act shall apply to assessment made under this Chapter.'