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L.L.B. Part - III rd
Paper - VIII Taxation

Regular Assessment S. 143 (1) :-

According to Section 143(1) where a return has been made under section 139, or in response to a notice under sub-section (1) of section 142 -

ii) if any tax or interest is found due on the basis of such return, after adjustment of any tax deducted at source, any advance tax paid any tax paid on self assessment and any amount paid otherwise by way of tax or interest then without prejudice to the provision of sub-section (2) an intimation shall be sent to the assessee specifying the sum so payable and such intimation shall be deemed to be a notice of demand issued under section 155 and all the provisions of this Act shall apply accordingly; and

iii) if any refund is due on the basis of such return, it shall be granted to the assessee and an intimation to this effect shall be sent to the assessee

Provided that except as otherwise provided in this sub-section, the acknowledgement of the return shall be deemed to be intimation under

(2)

This sub-section where either no sum is payable by the assessee or no refund is due to him:

Provided further that no intimation under this sub-section shall be sent after the expiry of one year from the end of the financial year in which the return is made.

Provided also that where the return made is in respect of the income first assessable in the assessment year commencing on 1-4-1999 such intimation may be sent at any time up to 31-3-2002.

Section 143(2) —

Where a return has been furnished under Section 139 or in response to a notice under sub-section (1) of section 142, the Assessing Officer shall

(i) where he has reason to believe that any claim of loss, exemption, deduction, allowance or relief made in the return is inadmissible, serve on the assessee a notice specifying particulars of such claim of loss, exemption, deduction, allowance or relief and require him on a date to be specified therein to produce, or cause to be produced, any evidence or particulars specified therein or on which the assessee may rely in support of such claim.

Provided that no notice under this clause shall be served on the assessee on or after 1-6-2003.

(3)

(ii) notwithstanding anything contained in clause (i) if he considers it necessary or expedient to ensure that the assessee has not understated the income or has not computed excessive loss or has not under-paid the tax in any manner, serve on the assessee a notice requiring him, on a date to be specified therein, either to attend his office or to produce, or cause to be produced there, any evidence on which the assessee may rely in support of the return:

Provided that no notice under this clause

(ii) shall be served on the assessee after the expiry of twelve months from the end of the month in which the return is furnished.

143 (3) On the day specified in the notice:-

(i) issued under clause (i) of sub-section (2) or as soon afterwards as may be, after hearing such evidence and after taking into account such particulars as the assessee may produce, the Assessing Officer shall, by an order in writing, allow or reject the claim or claims specified in such notice and make an assessment determining the total income or loss accordingly and determine the sum payable by the assessee on the basis of such assessment;

(ii) issued under clause (ii) of sub-section (2) or as soon afterwards as may be, after hearing such

(4)

evidence as the assessee may produce and such other evidence as the Assessing Officer may require on specified points, and after taking into account all relevant material which he has gathered, the Assessing Officer shall, by an order in writing, make an assessment of the total income or loss of the assessee and determine the sum payable by him or refund of any amount due to him on the basis of such assessment.

Provided that in the case of a —

(a) scientific research association referred to in clause (21) of section 10;

(b) news agency referred to in clause (22B) of section 10;

(c) association or institution referred to in clause (23A) of section 10;

(d) institution referred to in clause (23B) of section 10;

(e) fund or institution referred to in sub-clause (i)

or trust or institution referred to in sub-clause (ii)

or any university or other educational institution

referred to in sub-clause (vi) or any hospital or

other medical institution referred to in sub-clause

(vii) of clause (23C) of section 10,

which is required to be furnished the return of income

under subsection (4-C) of section 139, no order making

an assessment of the total income or loss of

such scientific research association, news

agency, association or institution or fund or

trust or university or other educational institution

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or any hospital or other medical institution, shall be made by the Assessing Officer without giving effect to the provisions of section 10 unless:

(i) the Assessing Officer has intimated the Central Government or the prescribed authority, the contravention of the provision of clause (21) or clause (22B) or clause (23A) or clause (23B) or both - clause (22) or sub-clause (v) or sub-clause (vi) or sub-clause (vii) of clause (23C) of section 10 as the case may be, by such scientific research association, news agency, association or institution or fund or trust or university or other educational institution or any hospital or other medical institution, where in his view such contravention has taken place; and

(ii) the approval granted to such scientific research association or other association or institution or university or other educational institution or hospital or other medical institution has been withdrawn or notification issued in respect of such news agency or fund or trust or institution has been rescinded.

According to Section 143(3) on the day specified in the said notice or as soon afterwards as may be after hearing such evidence as the assessee may produce and such other evidence as the Assessing Officer may require or specified

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points, and after taking into account of all relevant material which he has gathered the Assessing Officer shall, by an order in writing, make an assessment of the total income or loss of the assessee, and determine the sum payable by him or refund any amount due to him on the basis of such assessment.