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Finance Act, 1995

Section 31 - SUBSTITUTION OF NEW SECTION FOR SECTION 145 "For section 145 of the Income-tax Act, the following section shall be

1) Income chargeable under the head "Profits and gains of business or profession" or "Income from other sources" shall, subject to the provisions of sub-section (2), be computed in accordance with either cash or mercantile system of accounting regularly employed by the assessee. (2) The Central Government may notify in the Official Gazette from time to time accounting standards to be followed by any class of assessee or in respect of any class of income. (3) Where the Assessing Officer is not satisfied about the correctness or completeness of the accounts of the assessee; or where the method of accounting provided in sub-section (1) or accounting standards as notified under sub-section (2), have not been regularly followed by the assessee, the Assessing Officer may make an assessment in the manner provided in section 144.'