

Finance Act, 2002

Section 60 - AMENDMENT OF SECTION 143 -In Section 143-of the Income Tax Act,

a) for sub-section (2), the following sub-section shall be substituted with effect from the 1st day of June, 2002, namely:- "(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; (ii) notwithstanding anything contained in clause (i), if he considers it necessary or expedient to ensure that the assessee has not under-stated 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, any evidence on which the assessee may rely in support of the return : Provided that no notice under this sub-section shall be served on the assessee after the expiry of twelve months from the end of the month in which the return is furnished."; (b) for sub-section (3), the following sub-section shall be substituted, with effect from the 1st day of June, 2002, namely:- "(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 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."; (c) after sub-section (3), the following proviso shall be inserted with effect from the 1st day of April, 2003, namely:- "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 (22-B) of Section 10-; (c) association or institution referred to in clause (23-A) of Section 10-; (d) institution referred to in clause (23-B) of Section 10-; (e) fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) 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 (vi-a) of clause (23-C) of Section 10-, which is required to furnish the return of income under sub-section (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 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 provisions of clause (21) or clause (22-B) or clause (23-A) or clause (23-B) or sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (vi-a) of clause (23-C) 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.".