

TIRUPUR BRANCH OF SICASA

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TIRUPUR BRANCH OF SICASA

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Views expressed herein are the opinion of the respective authors and not that of the Tirupur branch of SICASA or the Managing /Newsletter committee.

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Dear Future Chartered Accountants,

Hello students , As your exam are coming ahead make it a priority to stay informed about the latest updates in the CA curriculum, exam patterns, and industry trends. This will not only keep you ahead of the curve but also ensure that you are fully prepared for any changes that might come your way. Engaging in continuous learning, such as attending relevant seminars and workshops, is crucial as you advance through your exams.



While your studies should be your primary focus, don't overlook the importance of networking with peers and professionals in the field. Building a strong professional network can provide support, insights, and opportunities that are invaluable as you progress. Moreover, balancing your study routine with breaks is essential for maintaining your well-being and avoiding burnout. As you continue on this challenging path, always uphold the highest standards of ethics and integrity in all your actions. Your credibility as a future CA will be one of your most valuable assets.

In conclusion, I have no doubt that with your determination, perseverance, and unwavering commitment to excellence, you will successfully navigate the remaining exams and achieve your dream of becoming a Chartered Accountant. Stay focused, believe in your abilities, and continue striving for greatness. The future holds endless possibilities, and I am confident that you will rise to meet them.

Thanks and Regards

CA Saravana Raja K,
Chairman,
Tirupur Branch of SICASA

ASSESSMENT SECTIONS IN INCOME TAX

INTRODUCTION:

The income tax assessment process can be a complex aspect of tax compliance for individuals and businesses. With multiple sections and provisions governing the assessment process, it's essential to have a clear understanding of the rules and regulations to ensure accurate and timely filing of tax returns. This article aims to demystify the assessment sections of the Income Tax Act, 1961.

In the Income Tax Act, 1961, the following are the key assessment sections:

1. **Section 143(1):** Processing of Return and Intimation (summary assessment)
2. **Section 143(3):** Scrutiny Assessment (detailed examination of return)
3. **Section 144:** Best Judgment Assessment (assessment made when taxpayer fails to comply)
4. **Section 147:** Income Escaping Assessment (re-assessment of income that has escaped assessment)
5. **Section 148:** Issue of Notice for Re-assessment (notice for re-assessment of income that has escaped assessment)
6. **Section 153:** Time Limit for Completion of Assessment (time limits for completing assessments)
7. **Section 155:** Rectification of Mistakes (rectification of mistakes in assessment orders)

These sections outline the different types of assessments, procedures, and time limits for completing assessments under the Income Tax Act, 1961.

Section 143(1): PROCESSING OF RETURN AND INTIMATION

- The tax department will quickly check your tax return to make sure everything is correct.
- They'll calculate your tax liability and check for any errors or discrepancies.
- If everything looks good, they'll send you an "intimation" (a notice) confirming that your return has been processed.
- This is a quick and simple process, usually done within a year of filing your return.

Section 143(3): SCRUTINY ASSESSMENT

- The tax department will do a thorough and detailed examination of your tax return.
- They'll ask for additional information, documents, or evidence to support your claims.
- They'll scrutinize your income, expenses, and deductions to ensure accuracy.
- Based on this detailed check, they may:
 1. Accept your return as filed.
 2. Make adjustments to your income or tax liability.
 3. Ask for further clarification or documentation.

Section 144: BEST JUDGEMENT ASSESSMENT

- If you don't respond to the tax department's queries or don't provide required information, they'll make an assessment based on their "best judgment".
- They'll use available information to estimate your income and tax liability.
- This assessment might not be exact, but it's based on the information available to them.
- You'll receive an assessment order, and you can appeal if you disagree.

Section 147: Re-Assessment of Income that Escaped Taxation

- If the tax department finds income that was not reported or taxed earlier, they can re-assess your tax liability.
- This can happen if income was missed, hidden, or not disclosed correctly.
- The tax department can re-open your case and add the missed income to your tax liability.
- You'll receive a notice and can respond to explain or clarify the situation.

TIME LIMIT:

According to Section 147 of the Income Tax Act, 1961, the time limit for reopening cases is as follows:

- If income has escaped assessment due to:

1.Failure to file a return: No time limit

2. Failure to disclose material facts: 6 years from the end of the relevant assessment year

3. Other cases: 4 years from the end of the relevant assessment year

However, if the escaped income is more than ₹1 lakh, the time limit for reopening cases is 6 years from the end of the relevant assessment year.

Additionally, if the Assessing Officer has reason to believe that income has escaped assessment due to fraud or wilful default, the time limit for reopening cases is 10 years from the end of the relevant assessment year.

Section 148: Notice for Re-Assessment

- If the tax department wants to re-assess your income due to escaped income, they'll issue a notice to you.

- This notice will ask you to file a return or provide additional information.

- You'll typically have 30 days to respond to the notice.

- If you don't respond, the tax department can proceed with the re-assessment.

Section 153: Time Limit for Completion of Assessment

- The tax department has a time limit to complete an assessment (tax calculation) after issuing a notice to the taxpayer.

- **This time limit is:**

1. 12 months from the end of the month in which the return was filed (for normal cases)

2. 9 months from the end of the month in which the return was filed (for cases where a notice is issued under Section 148, i.e., for escaped income)

3. 12 months from the end of the month in which the information was received (for cases where information is received from outside India).

Section 155: RECTIFICATION OF MISTAKES

Section 155 allows the tax department to correct mistakes in an assessment order, such as:

1. Arithmetic errors
2. Incorrect application of law

The tax department can rectify these mistakes within a certain time limit, usually 4 years from the end of the financial year. This helps ensure that the assessment is accurate and fair.

SAUMYA S
SR00767787

PHOTO GALLERY



CA STUDENTS FESTIVAL & INDOOR GAMES ON 04TH AUG



HALF DAY WORKSHOP ON 10TH AUG



ITT PROGRAMME BATCH NO. 92 HELD FROM 12TH AUG



ORATORS FORUM ON 14TH AUG



ORATORS FORUM ON 21ST AUG



HALF DAY WORKSHOP ON 24TH AUG



ORATORS FORUM ON 28TH AUG



HALF DAY SEMINAR ON 31ST AUG