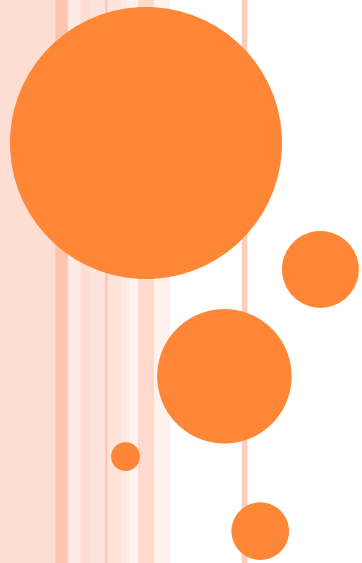


**SEMESTER FIVE
INCOME TAX- LAW AND
PRACTICE**



ACCELERATED ASSESSMENT

- Every assessee is liable to be assessed during the previous year, for the income earned during the previous year.
- However, in certain circumstances, an assessee will be assessed during the previous year itself.
- This is called ‘ Accelerated Assessment’.



SITUATIONS FOR ACCELERATED ASSESSMENT:

- Income of a non-resident from shipping business(Sec 172)
- Income of persons leaving India(Sec 174)
- Income of an AOP, BOI or artificial juridical person(Sec 174 A)
- Transfer of property to avoid tax(Sec 175)
- Discontinuance of a business or profession(Sec 176)



UNABSORBED DEPRECIATION

If the assessee does not have sufficient profits during the previous year, to charge the depreciation fully, the balance of depreciation which could not be written off, is called 'Unabsorbed Depreciation'.



PROVISIONS RELATING TO UNABSORBED DEPRECIATION

- First deductible from the profits and gains of business or profession
- Balance of amount, if any, can be set off against income from any other head, except from salary
- Unabsorbed balance can be carried forward to the next year
- Can be carried forward without time limit



- Carried forward depreciation = current year depreciation, for the purpose of set off
- Set off should be in the following order:
 - a) Current year depreciation
 - b) Brought forward business loss
 - c) Unabsorbed depreciation

