

If entire material was available during original assessment, no reassessment is required

Summary – The High Court of Allahabad in a recent case of U.P. State Bridge Corporation Ltd., (the Assessee) held that if entire material was available during original assessment, no reassessment is required

Facts

- For relevant year, the assessee-company filed its return and Assessing Officer completed assessment under section 143(3).
- Subsequently, Assessing Officer issued a notice under section 148 seeking to reopen the assessment by stating that assessee had claimed excess depreciation on temporary site accommodation.
- The Tribunal took a view that there was no failure on the part of assessee and entire things were disclosed by it during initial assessment and hence section 148 was not at all attracted. The Tribunal thus set aside reassessment proceedings.
- On appeal:

Held

- The HC stated that it is necessary to examine whether here is a case of change of opinion or it is a case of genuine reason to believe to Assessing Officer that any income chargeable to tax has escaped assessment for assessment year in question.
- Since the assessee had disclosed full and correct facts and after examining the entire matter the Assessing Officer completed assessment subsequent changed opinion could not have allowed the assessing officer to issue notice under section 147.
- Thus, the decision of Tribunal, setting aside the reassessment proceedings is correct.
- Appeal is accordingly dismissed.