

Instruction No. 03 /2013

F.No. 225/76/2013/ITA.II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

Dated the 5th of July, 2013

To

All Chief-Commissioners of Income-tax
All Director-Generals of Income-tax

Madam/Sir,

Subject: Procedure of be followed in receipt and disposal of rectification applications filed under section 154 of the Income-tax Act- 1961-regarding:-

Hon'ble Delhi High Court vide Judgment in case of Court On its Own Motion vs. UOI and Ors. in W.P. (C) 2659/2012 dated 14.03.2013 has issued several Mandamuses for necessary action by Income-tax Department one of which is regarding maintenance of "Rectification Register" in which details like receipt of applications under section 154 of the I.T.Act, their processing and disposal are to be maintained. (Reference: Para 16 to 18 of the order).

2. In view of the said order, it has been decided by the Board that henceforth all applications received under section 154 of the I.T.Act by the concerned jurisdictional authorities shall be dealt with in the following manner:-

A. Receipt of applications under section 154 of Income-tax Act-1961:

A.1. Offices where Aayakar Seva Kendra is centralized Dak receipt centre:

- i) All offices where Aayakar Seva Kendra ('ASK') is functional, it would be ensured that that all applications received under section 154 are duly entered into the system by the ASK and a system generated ASK acknowledgement number shall be given to the taxpayer.
- ii) The acknowledgement number of application received u/s 154 provided to the taxpayer at ASK receipt counter shall be transmitted online to the Assessing Officer while paper application shall be physically forwarded to the Assessing Officer.
- iii) At places where Aayakar Seva Kendra is non-functional but where ASK-Software is used for purposes of receipt of Dak, the procedure outlined for Aayakar Seva Kendras mentioned above would be adopted in respect of applications u/s 154 received by the concerned authority.

A.2. Offices where Dak is received by the Jurisdictional Assessing Officer:

Offices where neither Aayakar Seva Kendra is functional nor ASK Software is used for receipt of dak, the applications u/s 154 should be received, diarized and acknowledgment number should be given to the assessee by the receiving jurisdictional Assessing Officer immediately at the time of filing the application.

B. Maintenance of "Register of Rectifications under section 154" online:

B.1. To facilitate action u/s 154 in a time bound and transparent manner, all Assessing Officers should enter rectification applications in the "Online Rectification Register" which has been made available in ITD Applications. The procedure to maintain this register online has already been intimated to the field formations vide AST Instruction No. 112 dated 29.11.2012 issued by the Directorate of Income-tax (Systems).

B.2. Rectification applications have to be compulsorily uploaded in "Online Rectification Register" by the Assessing Officer on the day application is received by him either through Aayakar Seva Kendra/ASK Software or in his own office. The acknowledgement number provided to the taxpayer at the time of receiving application u/s 154 must invariably be entered in "Online Rectification Register" in appropriate column.

C. Disposal of applications under section 154 of Income-tax Act-1961:

C.1. As per provisions of Section 154 of the I.T. Act-1961, each application under that Section has to be disposed of by passing appropriate order within 6 months from the end of the month in which application is received. However, under Citizens Charter of 2010, the service delivery standard in respect of deciding rectification application has been fixed as 2 months. The concerned authorities should therefore, abide by this standard and ensure that rectification applications are decided as far as possible within a period of two months from the end of the month in which application is received.

C.2. Every Rectification application has to be processed through ITD applications only.

C.3. In cases where applications were received through Aayakar Seva Kendra/ASK Software, Assessing Officer should also flag/mark the disposal of rectification application in ASK Software so that its disposed status could be tracked down.

C.4. The order under section 154 of Income-tax Act must fulfill all the legal requirements, should be a speaking order and has to be invariably communicated to the taxpayer immediately after its disposal.

3. In respect of e-filed returns, the rectification applications are also filed online. CPC would be required to immediately identify whether action can be taken at its own end or it has to be transferred to the Assessing Officer for necessary action. If CPC is required to take action, it would do so within the time-frame prescribed. On the other hand, if the Assessing Officer is required to dispose it off, he would enter the same in the online rectification register, process it on AST and shall again make necessary entries therein once the same is disposed off. The prescribed time limit would strictly be adhered to in this case also.

4. All CCsIT/DGsIT are requested to ensure that the above procedure is strictly followed in their charge with immediate effect and the maintenance and updating of online rectification register is monitored by the concerned supervisory officers in their respective charges.



(Rohit Garg)

Deputy Secretary to the Government of India
IT (A-II), CBDT

Copy to:

1. The Chairperson, CBDT, All Members of CBDT and all other officers in CBDT of the rank of Under Secretary and above.
2. DIT (PR, PP & OL), Mayur Bhavan, New Delhi for printing in the quarterly Tax Bulletin and for circulation as per usual mailing list.
3. The Comptroller and Auditor-General of India
4. The DGIT (Vigilance), New Delhi
5. The Joint Secretary & Legal Advisor, Ministry of Law & Justice, New Delhi
6. All Directors of Income tax, New Delhi
7. The DGIT (NADT), Nagpur
8. ITCC (3 Copies)
9. The DGIT (Systems), New Delhi



(Rohit Garg)

Deputy Secretary to the Government of India
IT (A-II), CBDT