

-COPY OF-
INCOME TAX INSTRUCTION
NO.9/2010
Dated: December 9, 2010

Processing of ITR-I and ITR-2 returns – credit for tax deducted at source for A.Y. 2009-10 – clarification regarding.

1. Reference may be made to Board's Instruction No.7 dated 16.8.2010 in which it has been stated, inter alia, that in cases where the return is filed in ITR-I and ITR-2 for the A.Y. 2009-10, and where the TDS claim does not exceed Rs. three lakh and where the refund computed does not exceed Rs. Twenty five thousand, the TDS claim of the tax payer shall be accepted at the time of processing of the returns provided the TDS payment reported in AS-26 is more than Rs. zero.
2. Board has reconsidered the above instruction and it has been decided to increase the limit of TDS claim from Rs. three lakh to Rs. four lakh as was applicable for the A.Y. 2008-09. It is further clarified that if the limit of Rs. four lakh, or Rs.25,000 is exceeded in case of a return filed in ITR-I and ITR-2 or there is nil matching with AS-26 statement, the credit should be allowed by the Assessing Officer after make 'due verification'. This verification may be done in the same manner as was being done in the earlier years.
3. This may be brought to the notice of all the Assessing Officers in your region for immediate compliance.

F.No.225/25/2010/ITA.II

(Dr. Sanjay Kumar Lal)
Under Secretary (ITA.II)