

**SECTION 143 OF THE INCOME-TAX ACT, 1961 - ASSESSMENT - GENERAL
- SPECIFIED PROVISIONS OF THE ACT WHICH SHALL APPLY TO
CENTRALISED PROCESSING OF RETURNS SCHEME, 2011**

NOTIFICATION NO. 3/2012 [F. NO. 142/27/2011-SO (TPL)], DATED 4-1-2012

In exercise of powers conferred by sub-section (1B) of section 143 of Income Tax Act, 1961 (43 of 1961), for the purpose of giving effect to the Centralised Processing of Returns Scheme, 2011 made under sub-section (IA) of section 143 of the said Act, the Central Government hereby directs that, the following provisions of the Act relating to processing of returns shall not apply or shall apply with such exceptions, modifications and adaptations as specified hereunder, namely: -

- 1.** This notification shall come into force on the date of its publication in the Official Gazette.
- 2.** The provisions of section 139 of the Act shall apply to returns received under Centralised Processing of Returns Scheme, 2011 subject to the following, namely :-
 - A. (i) All ITR-V (acknowledgement) forms duly verified shall be sent to the Centralised Processing Centre, either through ordinary or speed post, within such period of uploading the electronically filed return as may be specified by the Director General in this behalf.
 - (ii) The date of transmitting the data electronically shall be the date of furnishing the return if the Form ITR-V is furnished in the prescribed manner and within the specified period.
 - (iii) In case Form ITR-V furnished after the prescribed time is rejected on account of it being unsigned, illegible, mutilated, bad quality or not as per specification, it shall be deemed that the return in respect of which the Form ITR-V has been filed was never furnished and it shall be incumbent on the person to electronically file the return of income again and follow it up by submitting the new Form ITR-V.
 - (iv) The Form ITR-V shall be submitted at the address, in the mode and within the period or extended period specified in this behalf.
 - (v) The Commissioner Centre may, in order to avoid hardship in a case or class of cases, condone the delay in receipt of Form ITR-V.
 - (vi) The Centre may call for fresh Form ITR-V in special circumstances, where the Form ITR-V submitted earlier cannot be considered for technical reasons.
 - B. (i) If the original return of income is an electronically filed return, the revised return shall be filed through electronic mode only.
 - (ii) The Centre shall process only the revised return and no further action shall be taken on original return if it has not already been processed.
 - (iii) The Commissioner may declare-
 - (a) a return invalid for non-compliance of procedure for using any software not validated and approved by the Director General;

(b) a return defective under sub-section (9) of section 139 of the Act on account of incomplete or inconsistent information in the return or in the schedules or for any other reason.

C. (i) In case of a defective return, the Commissioner shall intimate this to the person through e-mail or by placing a suitable communication on the e-filing website.

(ii) A person shall comply with the notice regarding defective return by uploading the rectified return within the period of time mentioned in the notice.

(iii) The Commissioner may, in order to avoid hardship to the person, condone the delay in uploading of rectified return.

(iv) In case no response is received from the person in reply to the notice of defective return, the Commissioner may declare a return as not having been uploaded at all or process the return on the basis of information available.

D. (i) A person shall not be required to appear either personally or through authorised representative before the authorities at the Centre in connection with any proceedings.

(ii) Written or electronic communication from such person or authorised representative in the format specified by the Centre in this respect shall be sufficient compliance of the query or clarification received from the Centre.

3. The provisions of section 143 of the Act shall apply to all returns received under the Centralised Processing of Returns Scheme, 2011 subject to the following, namely:-

(i) the sum payable to, or the amount of refund due to, the person shall be determined after credit of such Tax collected at Source (TCS), Tax Deducted at Source (TDS) and tax payment claims which can be automatically validated with reference to data uploaded through TDS and TCS statements by the deductors or the collectors, as the case may be, and tax payment challans reported through authorised banks in accordance with business rules laid out by the Centre in this regard;

(ii) an intimation shall be generated electronically and sent to the person by e-mail specifying the sum determined to be payable by, or the amount of the refund due to, the person;

(iii) any intimation to the person to pay any sum determined to be payable shall be deemed to be a notice of demand as per the provisions of section 156 of the Act and all other provisions of the Act shall be accordingly applicable.

(iv) The Commissioner may,-

(a) adopt appropriate procedures for processing of returns; and

(b) decide the order of priority for processing of returns of income based on administrative requirements.

(v) Wherever a return cannot be processed in the Centre for any reason, the Commissioner shall arrange to transmit such return to the Assessing Officer having jurisdiction for processing.

(vi) The Centre may call for such clarification, evidence or document as may be required for the purpose of facilitating the processing of return and all such clarification, evidence or document shall be furnished electronically.

4. The provisions of section 154 of the Act shall apply to all the returns received under the Centralised Processing of Returns Scheme, 2011 subject to the following, namely:-

- (i) An application for rectification shall be filed electronically to the Centre in the format prescribed and shall be processed in the same manner as an Income-tax return.
- (ii) In case of error in processing due to an error in data entry or a software error or otherwise, resulting in excess refund being computed or reduction in demand of tax, the same will be corrected on its own by the Centre by passing a rectification order and the excess amount shall be recovered as per the provisions of the Act.
- (iii) Where a rectification has the effect of enhancing an assessment or reducing the refund or otherwise increasing the liability of the person, an intimation to this effect shall be sent to the person electronically by the Centre and reply of the person shall be furnished through electronic mode only.
- (iv) Where the rectification order results in a demand of tax, the order under section 154 of the Act passed by the Centre shall be deemed to be a notice of demand under section 156 of the Income-tax Act.

5. The provisions of section 245 of the Act shall apply to the returns covered under the Centralised Processing of Returns Scheme, 2011 subject to the following, namely:-

The set-off of refund, if any, arising from the processing of a return, against tax remaining payable shall be done by using the details of outstanding tax demand in respect of the person as uploaded onto the system of the Centre by the Assessing Officer.

6. (i) Where a return is processed at the Centre, the appeal proceedings relating to the processing of the return shall lie with Commissioner of Income-tax (Appeals) having jurisdiction over the Assessing Officer and any reference to the Commissioner of Income-tax (Appeals) in any communication from the Centre shall mean such jurisdiction of the said Commissioner.

(ii) Remand reports, giving effect to appellate order and any other reports to be furnished before the Commissioner of Income-tax (Appeals) shall be submitted by the Assessing Officer having jurisdiction as regards the person.

7. The provisions of section 282 of the Act shall apply to all returns received under the Centralised Processing of Returns Scheme, 2011 subject to the following, namely : -

- (i) The service of a notice or order or any other communication by the Centre may be made by :
 - (a) sending it by post;
 - (b) delivering or transmitting its copy thereof, to the person's e-mail address by the Centre's e-mail;

- (c) placing its copy in the my account menu of the person on the official website for e-filing of returns; or
 - (d) any of the modes mentioned in section 282(1) of the Income-tax Act.
- (ii) The date of posting of any such communication on the website, e-mail or other electronic medium shall be deemed to be the date of service.
- (iii) The intimation, orders and notices shall be computer generated and need not carry physical signature of the person signing it.

8. The Director General may specify procedures and processes from time to time for effective functioning of the Centre in an automated and mechanised environment, including specifying the procedure and processes in respect of the following :-

- (a) receipt and processing of electronic rectification applications in the Centre;
- (b) the address or place, the mode and the period or the extended period within which the acknowledgement in Form ITR-V shall be accepted;
- (c) validating any software used for e-filing the return;
- (d) call centers to answer queries and provide taxpayer services which may include outbound calls to persons requesting for clarification to assist in the processing of their returns of income; and
- (e) managing tax administration functions such as receipt, scanning, data entry, processing, issue of refunds, storage and retrieval of income-tax returns and documents in a centralized manner or receipt of paper documents through authorised intermediaries.