Online Rectification Request to rectify intimation received U/s. 143 (1) from CPC, Bangalore

If you are thinking of seeking rectification of the intimation issued by Centralized Processing Center at Bangalore, then you must carefully review the Common Error Guide and the typical causes of error presented below in order to prepare an accurate rectification request and thereby ensure that you get a proper resolution from CPC in the form of an rectification order.

Please do not jump into conclusions or get misguided by others that there are mistakes in processing software; more likely than not the data in the e-return submitted by you was either incomplete or incorrect resulting in calculation different than what is expected by you.

For every variation between what you have computed as your tax liability and your refund and what was finally the outcome of processing at CPC there is a logical explanation and therefore, a possible resolution.

Download full text of Rectification Manual for Submitting Online Rectification Request to rectify intimation order issued under section 143 (1) by Centralized Processing Center, Bangalore

Sl	Symptom and issue	Probable reason and Resolution
1	Salary income shown at higher figure than entered	In Salary Schedule higher figure is reported under Gross salary which should be excluding Exempt income (such as transport allowance etc).Taxpayer may have mentioned Transport allowance in Exempt Income and may have deducted the same to arrive at a lower net figure in the finalcalculation. However, the Exempt income is to be mentioned only for reporting purposes and should not be used in any calculation.

2	Loss under House Property due toInterest paid on loans is not allowed	In the House property Schedule the Interest paid value is not entered. Instead only the loss figure is mentioned in the final total. The totals are re-calculated while processing the return from the basic values provided. If the break up values are not provided then the total will be calculated as zero.The other possibility is that even if the House Property Schedule was correctly filled, the taxpayer has not claimed the loss in Schedule CYLA. Therefore, even if loss is correctly shown in Sch HP, the adjustment of this loss is not automatic. It has to be entered in the first row against Salary Income as shown to indicate that this loss is adjusted against salary income.
3	Tax payment is not allowed	BSR code, Challan number and date of deposit may have been incorrect since any mismatch may lead to rejection of tax payment. Date of deposit of challan cannot be beyond or after date of filing of return.Taxpayer should NOT report tax payments made by Deductors as given in Form 16 or Form 1 6A as their own payment under Schedule IT. This is meant ONLY to enter tax payments DIRECTLY made by taxpayer himself.
4	TDS credit is not allowed	Taxpayer should ensure that the TAN number is valid and as per the Form 1 6A issued by Deductor.PAN number of Deductor should NOT be mentioned in place of TAN. In many cases Deductors may have given TDS certificate with certain TAN but submitted TDS return to Department under different TAN. This may happen where many group concerns operate in a flexible manner. This should be verified by cross-checking against the 26AS statement for thetaxpayer which is available through NSDL or at the e-filing website. Any error by Deductor should be immediately pointed out and correction ensured.
5	Chapter VI A deduction specially 80C deduction is not allowed	While filling in Deductions in Chapter VI – A, taxpayer must ensure to fill up the breakup showing all individual Section-wise deductions such as 80 C etc, and then mention the Total Deduction claimed. At the time of processing, it is not clear under what section is the deduction claimed if details are not given. Since each deduction has different limits and eligibility, it is not possible to allow deduction only from the total.
6	Deduction under Chapter 80G or 80IA etc is not allowed.	Details u/s 80G in Sch 80G (where the Schedule is available in the return- ITR 4, 5 and 6) along with correct totals may not have been entered, before claiming the total in Chapter VI-A. Similarly, other schedules such as 80IA/IB etc must also be filled in where relevant schedules are in the ITR , before claiming Deductions in Chapter VI-A. Mentioning only the final total values in Chapter VI A Schedule or the total Deduction is not sufficient.

7	Tax Rate applied by CPC is not as per rates for Female Taxpayers or Senior citizens or for firms or domesticcompany. MAT is applied	Taxpayer may have entered Gender as Male or entered date of birth incorrectly. Alternatively, taxpayer may have entered these details correctly but the details are different in PAN database, in which case the data in PAN database has to be corrected by taxpayer by giving proof and details.For assessee filing return ITR 5, Status (such as Cooperative Society, Firm, etc) in the General Information Portion may not have been selected correctly. Incorrect status selection can lead to taxation at higher rate or disallowance on specific deductions like 80P, etc. For taxpayers filing ITR 6, the correct selection while opting for item under General Information relating to 'If a Domestic Company' must be made. Domestic companies MUST NOT select "N" here – which implies thattaxpayer is stating that company is a Foreign Company. When 'N' is selected the tax rate applicable to Foreign Companies will be applied, leading to higher taxation. Schedule MAT MUST be filled by all taxpayers filing ITR 6 irrespective of whether the book profit calculations result in application of provisions of MAT. Taxpayer may not have calculated MAT.
8	Income from Business is not correctly computed	There are many reasons for variation in Income From Business:While entering Totals (for ex Total Duties and Taxes etc), breakup is not given. Value entered in Sl no 42 (Depreciation) (where Books of Accounts are maintained) should match the value in Sch BP: Sl no 11 (Depreciation debited to P&L Account) Profit Before Tax (and not Profit After Tax) should be entered in item 1 of Sch BP. Depreciation allowable under IT Act u/s 32(1) (ii) must be as per Sch DEP. When Schedule Profit and Loss is filled with a claim for depreciation but depreciation amount is either not added back at item A1 1 in Schedule BP or details of depreciation in plant and machinery and other assets are not filled by the assessee in Schedule DPM, DOA and Schedule DEP, this may lead to disallowance of depreciation. Schedule DPM, DOA and DEP should NOT be left blank if Depreciation is being claimed. Entering total value of Depreciation in Sl A12 in Schedule BP WITHOUT entering DPM, DOA, DEP will lead to disallowance of Depreciation. Where block ceases to exist, enter correct value in Cap.Gains / Loss u/s 50. Under NO OTHER CIRCUMSTANCE should item 16 be filled. Negative value, if entered in Sl 16, implies that block ceased to exist and then no Depreciation will be allowed for that block.

		Where P&L account is filled and includes Deemed income u/s 44AD, 44AE 44AF etc, ensure that relevant figures in A4 and A33 in Sch BP are correctly filled Total of Deemed Income (IF NON ZERO) under Sections 44AD , 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, 44D, 44DA, Chapter XII-G and First Sch of IT Act as per Sl no 33 of Sch BP) should not be hence lower than Sl no 4 of Sch BP. In case nature of business does not include Tea/Coffee/Rubber, the net profit or loss from business or profession after applying Rule 7A,7B, 7C in A37 should be entered as the same value as arrived in Sl no 36 of Sch BP. Where Schedule OI is filled with details of disallowances or amounts which are to be added back to income due to the provisions like 36, 37, 40, 40A, 43B, assessee must fill in the details in Schedule BP in arriving at the income from Business and Profession. This is because at the time of processing these disallowances are taken from Schedule OI and applied to relevant items in Sch BP. This will result in increase of Income under Business due to these disallowances.
9	Losses brought forward from previous years has not been allowed	Before claiming adjustments in Sch BFLA, ensure that Schedule CFL is not left empty. The correct breakup of the losses claimed for setoff must be filled in Sch CFL which alone will be considered for Schedule BFLA. Direct entries in Schedule BFLA without any entry in Schedule CFL will not be entertained, thus leading to demand due to disallowance of claim for adjustment of brought forward loss.Unabsorbed depreciation loss MUST be included in CFL against appropriate year or in case it relates to prior to AY 2002-03 period then it MUST be entered in the row relating to AY 2002-03. ONLY if the unabsorbed Depreciation is entered in CFL, then it will be allowed in Sch BFLA calculation. In Sch BFLA, enter all adjustments correctly. Do not leave blank as system will not allow adjustments of brought forward loss unless claimed in Sch BFLA.
10	Capital Gain is not correctly calculated	Start from full value of consideration in Capital Gain schedule. DO NOT ENTER ONLY FINAL VALUES. Enter the correct breakup to arrive at STCG and LTCG values. Do not leave blank any intermediate figures such as Full Value of Consideration etc.Ensure that the value entered in Sch CG under LTCG Proviso (option under proviso to S.112(1) is exercised) is also correctly entered in Sch SI under LTCG proviso (Section 22). All Capital gain tax calculations are as per special rates given in Schedule SI. In case this is not correctly entered then the calculation may differ. In most cases taxpayers have entered capital gains in CG

		schedule at 20% tax rate, but in Schedule SI entered in code corresponding to 10% rate by mistake. In such cases tax may be calculated at both these tax rates. Verify that correct quarterly breakups for LTCG and STCG are provided in Sch CG and the total of the quarterly breakups match with the respective values in Sch SI (taxable Income after adjusting Min Chargeable to Tax) after set off of all losses. Ensure that the value entered in Sch CG under STCG 111A is also correctly entered in Sch SI under STCG 111A (Section 1A) Enter correct breakup of STCG 111A and other than 111A in Sch CG.

How to submit an Online Rectification request

Step 1: Make sure you have received an intimation under section 143 (1) from CPC Bangalore for the E-returns filed by you for AY 2009-10 or later.

Step 2: Carefully examine the intimation to see if the computation by CPC is correct even if different from what was expected by you. It may be that you may have computed tax liability or interest incorrectly.

Step 3: Carefully review the Common Error guide and the table above to understand as the basic reason for the variation.

Step 4: Since the Rectification Request is to be submitted by uploading the complete xml file similar to uploading the original return, it may be preferable to start with the saved e-return data that was prepared by the return preparation utility/software (Department provided excel software or other software), in case it is available with the taxpayer.

Step 5: All errors in data entry should be completely corrected and schedules or fields left blank should be filled accurately as explained in the guide. The complete return should be filled including TDS and Tax payment schedules and not only schedules that need change or the

fields that need correction. This is because the entire return with corrected data would be re-processed under rectification.

However, there should not be any revision in income figures or new claims since then the rectification request would be rejected or rectification would be delayed. It may be clearly noted that this facility is only for correcting mistakes apparent from record.

Step 6: After the Return data is corrected then the xml can be generated. This is the Rectification XML file.

Step 7: Log in to http://incometaxindiaefiling.gov.in and go to My Account-> Rectification-> Rectification upload

Step 8: Fill in details from the intimation sheet which will be verified to ascertain that only the taxpayer in possession of the Intimation from CPC would be able to submit a rectification request.

Step 9: Fill in details of Schedules where changes have been made and reasons for seeking rectification. Fill in due date for filing return, if incorrect as per intimation sheet. Leave blank if not applicable.

Fill in details which are not available in the return form such as details of 80G donations (not available in ITR forms for 1, 2 and 3) and Quarter-wise details of Capital Gains (all four types- which is not available in ITRs 2, 3, 4, 5 and 6 for AY 2009-10) only if applicable. Leave blank if not applicable

Please note if your address has been changed in the rectification XML file, you should check the address changed checkbox to ensure that the new address is updated else the old address as per e-return only will be used.

Step 10: Now upload the Rectification XML file. Validations will be done to ascertain that only mistakes apparent from record are sought to be rectified

Step 11: Upon successful upload, Rectification Request number and acknowledgement will be displayed.

In case Bank Account Number is changed in rectification XML as compared to Bank Account number as per e-return then the rectification request is only PROVISIONALLY uploaded. A response sheet will be displayed, which has to be filled and a cancelled cheque attached and sent to CPC Bangalore. Only upon receipt of this response sheet at CPC Bangalore will the Rectification Request be finally accepted and acknowledgement generated.

Step 12: The rectification request can be withdrawn within 7 days if uploaded by mistake or the request needed to be amended. Only one rectification request can be submitted at any time. Any rectification request after submission has to be processed at CPC before the next rectification request for the same PAN and AY can be submitted.

Step 13: The rectification request will be processed at CPC and either the rectification order under Section 154 will be issued or the request would be rejected.