

Government of India
Ministry of Finance
Department of Revenue
(Central Board of Direct Taxes)

New Delhi, the 30th Sep., 2004

NOTIFICATION NO. 253 OF 2004

INCOME-TAX

S.O.1073(E).- In exercise of the powers conferred by sub-section (1B) of section 139 of the Income-tax Act, 1961 (43 of 1961) and in supercession of the Electronic Furnishing of Returns of Income Scheme, 2003 published in the Gazette of India, Extraordinary, Part II, Section 3 – sub-section (ii) under the notification of the Government of India, Ministry of Finance (Department of Revenue), Central Board of Direct Taxes vide S.O. 856(E) dated the 25 th July, 2003, except as respects things done, or omitted to be done, the Central Board of Direct Taxes hereby specifies the following scheme, namely:-

1. Short title, commencement and application.-

- (1) This scheme may be called the Electronic Furnishing of Return of Income Scheme, 2004.
- (2) It shall come into force on the date of its publication in the Official Gazette.
- (3) It applies to any person who is assessed or assessable to tax at any of the cities specified in Schedule 'A' of this scheme.

2. Definitions.- In this scheme, unless the context otherwise requires –

- (a) "Act" means the Income Tax Act, 1961 (43 of 1961);
- (b) "Board" means Central Board of Direct Taxes constituted under the Central Board of Revenues Act, 1963 (54 of 1963);
- (c) "digital signature" means a digital signature issued by any Certifying Authority authorised to issue such certificates by the Controller of Certifying Authorities.
- (d) "eligible person" means a person who has been allotted a permanent account number and who is assessed or assessable to tax at any of the cities specified in Schedule 'A' of this scheme;
- (e) "e-Return" means electronically transmitted data of return furnished under this scheme, supported by a duly verified paper return of income;
- (f) "e-Return Administrator" means an officer, not below the rank of the Commissioner of Income-tax, designated by the Board for the purpose of administration of this scheme.
- (g) "e-Return Intermediary" means a person authorised to be an e-Return intermediary under this scheme.
- (h) "Monitoring Committee" means the monitoring committee appointed by the Board for the purpose of this scheme.
- (i) "Registrar" means a person appointed by the Board to act as a Registrar under this scheme.
- (j) words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Filing of e>Returns

- (1) An eligible person may, at his option, furnish his return of income which he is required to furnish under sub-section (1) of section 139 of the Act for the assessment year 2004-05 and any subsequent assessment year, to an e-Return intermediary who shall digitise the data of such return and transmit the same electronically to a server designated for this purpose by the e-Return Administrator, on or before the due date.
- (2) The e-Return intermediary shall submit the paper return of income received from the eligible person to the Assessing Officer not later than fifteen days from the issue of the provisional receipt for the electronic data received by the e-Return Administrator.

4. Revised Return of Income

An eligible person may furnish under this Scheme a revised return of income for any assessment year under sub-section (5) of section 139 of the Act if he has furnished a return of income for that assessment year under the scheme.

5. Qualifications of an e-Return Intermediary

- (1) An e-Return intermediary shall have the following qualifications, namely:-
- (a) it must be an employer, being a registered company or a statutory body, who:-
 - (i) has been allotted a valid Tax deduction account number (TAN);
 - (ii) has atleast 100 employees having taxable income as per the last return of tax deducted at source furnished by him;
 - (iii) has furnished the return of tax deducted at source within the time prescribed under the Act for the last three years; or

- (b)
 - (i) it must be a firm of Chartered Accountants or Advocates which has, for at least last three years, been in practice in the matters relating to direct taxes and has returned total income of two lakh rupees or more in each of the last two years;
 - (ii) he must be a Chartered Accountant or Advocate who has, for at least ten years, been in practice in the matters relating to direct taxes and has returned total income of two lakh rupees or more in each of the last two years; or
- (c) A registered company, including a bank, having a networth of five crore rupees or more and engaged in the business of providing financial services during the last five years;.
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- (2) He must have set up and commissioned hardware and software resources prescribed in Schedule 'B' of this scheme.
- (3) He must have at least class II digital signature certificate from any of the Certifying Authorities authorised to issue such certificates by the Controller of Certifying Authorities.
- (4) He should have in place security procedure to the satisfaction of e-Return Administrator to ensure that there is no misuse of the facility and that no programs are resident/ run on the system used to log on to the computer system of the department, which could cause any kind of harm to such system.
- (5) The applicant should have necessary archival, retrieval and, security policy for the e-returns which would be filed through him, as decided by e-Return Administrator from time to time.
- (6) The e-Return intermediary or its Principal Officer, must not have been convicted for any professional misconduct, fraud, embezzlement or any criminal offence by any court in India or by any professional body, as the case may be.

6. Authorisation of e-Return intermediary

- (1) A person qualifying to be appointed as an e-intermediary shall apply to the Registrar, along with such application fee and refundable security deposit, as may be decided by e-Return Administrator, from time to time.
- (2) Upon receipt of the application, the Registrar shall verify that the application is complete and duly supported by necessary documents. In case of any defects, the same shall be intimated to the applicant for removing the defects within the period of time specified in such intimation. Applications not satisfying the qualification specified in paragraph 5 shall not be processed further.
- (3) In case of a valid application the Registrar shall carry out due diligence of the applicant through an agency empanelled by the Board for this purpose, so as to ensure that the applicant has setup and commissioned the necessary hardware, and software resources.
- (4) The Registrar shall transmit the application and the 'due diligence' report online to, e-Return Administrator for data transmission tests with the applicant, after which e-Return Administrator may issue an appointment order along with the e-Return Intermediary Identification Number (ERIIN) and password to act as an e-Return intermediary.
- (5) The appointment of the intermediary shall be valid for a period of two years and may be extended for a further period of two years.
- (6) The Registrar, including his employees, agents, franchisees, etc., shall maintain confidentiality of any information that comes to their possession during the course of implementation of this scheme and shall not part with any such information except with the prior permission of the e-Return Administrator.

7. Procedure to be followed by eligible person

An eligible person opting to furnish his return of income under this scheme shall –

- (1) ensure that his return of income falls under this scheme;
- (2) approach and give his consent to any one of the e-Return intermediaries to act as his agent for the purpose of furnishing his e-Return for the relevant assessment year.

8. Procedure to be followed by e-Return intermediary

- (1) An e-Return intermediary shall receive the paper return of income, along with all its enclosures, duly verified by the eligible person or shall prepare the return of income on the basis of the documents furnished by the eligible person, as the case may be.
- (2) The intermediary shall upload the completed return of income, after validation of permanent account number, in the format specified by the e-Return Administrator, using his e-Return Intermediary Identification Number (ERIIN).
- (3) The uploaded returns shall be accepted after necessary validations. In respect of each accepted e-return, a provisional receipt shall be generated by the system, which shall be transmitted to the intermediary along with the details of the accepted return. This receipt will also include the jurisdiction of the assessing officer before whom the relevant paper return has to be submitted by the intermediary. The intermediary shall also get an error report in respect of the returns which were not accepted along with the error code.
- (4) In respect of the returns in which error has been reported the intermediary shall analyse the error code and correct the data on the basis of such code from the paper return available with him. After necessary corrections, the return shall be resubmitted for acceptance and the process as above shall be followed.

- (5) Upon acceptance of the e-return, the intermediary shall generate and affix a copy of the provisional receipt on the paper return and file the paper return with the Assessing Officer indicated on the provisional receipt within 15 days of filing the e-return.
- (6) The intermediary shall, within seven days of filing the paper return, upload the acknowledgement number of the paper return and the date of filing the paper return.
- (7) Upon uploading the above information the intermediary shall receive a communication conveying completion of the transaction.
- (8) The intermediary shall deliver the acknowledgement receipt of the paper return of income to the concerned eligible person.
- (9) The date of issue of the provisional receipt shall be deemed to be the date of filing of return of income if the paper return has been filed with the assessing officer within fifteen days from the date of the issue of the provisional receipt. If the paper return is filed after fifteen days from the date of the provisional receipt then the date of filing the paper return will be the date of filing the return of income and such returns will be treated as not having been filed under this scheme.

9. Processing of e-Return

- (1) The e-Return shall be processed on priority basis.
- (2) The refund, if any, due to the assessee shall be either credited by the assessing officer directly to his bank account, using the Electronic Clearing Services of the Reserve Bank of India or be directly sent to the assessee.

10. Functions and responsibilities of e-intermediary

The e-return intermediary shall –

- (a) ensure that the assessee is an eligible person under this scheme;
- (b) ensure that the assessee has quoted a correct and valid permanent account number;
- (c) ensure that the particulars of advance tax, self assessment tax and tax deducted at source are in accordance with the documents enclosed;
- (d) ensure that the paper return of income has been properly filled in and duly verified by the assessee, and the enclosures required to be filed with the return of income are enclosed;
- (e) ensure accuracy of the data entry while transcribing the return of income and during its transmission;
- (f) ensure that the electronic portion of the return of income is transmitted on or before the due date for filing the return of income;
- (g) ensure that the paper return is filed with the assessing officer having jurisdiction over the concerned assessee;
- (h) retain for a period of one year from the end of the relevant assessment year the electronic data of the return of income and the information relating to the provisional receipts issued in respect of the returns filed through it;
- (i) provide to the assessee a paper copy of the e-return submitted by it and the acknowledgement receipt of paper return filed by e-Return intermediary to the Assessing Officer;
- (j) maintain confidentiality of the information that comes to his possession during the course of implementation of this scheme and shall not part with any such information to anyone, except with the prior permission of the assessee or the assessing officer;
- (k) ensure that all his employees, agents, franchisees, etc., adhere to the provisions of this scheme;
- (l) promptly inform the Registrar of any change in the particulars given in the application filed by it for registration;
- (m) abide by the instructions issued by the e-Return Administrator, from time to time, for proper implementation of this scheme.

11. Monitoring Committee

- (1) The Board shall be assisted by a Monitoring Committee comprising of the e-Return Administrator, one representative each of the Institute of Chartered Accountants of India and National Association of Software and Services Companies (NASSCOM) and a person having special knowledge and experience in the field of Information Technology.
- (2) The Monitoring Committee shall advise the Board in respect of –
 - (a) agencies for due diligence,
 - (b) appointment of Registrar,
 - (c) disciplinary superintendence over the intermediaries including review of the functioning of the e-Return Intermediaries, verification of any complaints, scrutinising advertising material issued by them and other similar matters,
 - (d) suspension and revocation of authorisation of any e-Return intermediary for proven misconduct or violation of the terms of the scheme.

12. e-Return Administrator

- (1) The e-Return Administrator shall specify the procedures, formats and standards for ensuring secure capture and transmission of data and shall also be responsible for the day to day administration of the scheme.
- (2) The e-Return Administrator shall ensure compliance by the e-Return intermediaries with the technical requirements of the scheme.
- (3) The e-Return Administrator shall be responsible for evolving and implementing appropriate security, archival and retrieval policies for proper and secure implementation of this scheme.

Schedule 'A'
(See Sub-Paragraph (3) of Paragraph 1)

Serial Number	City	Serial Number	City
1.	Agra	35.	Madurai
2.	Ahmedabad	36.	Meerut
3.	Allahabad	37.	Mumbai
4.	Amritsar	38.	Muzaffarpur
5.	Bangalore	39.	Mysore
6.	Bareilly	40.	Nagpur
7.	Baroda	41.	Nashik
8.	Bhopal	42.	Panaji
9.	Bhubaneshwar	43.	Panchkula
10.	Bikaner	44.	Patiala
11.	Calicut	45.	Patna
12.	Chandigarh	46.	Pune
13.	Chennai	47.	Raipur
14.	Cochin	48.	Rajkot
15.	Coimbatore	49.	Ranchi
16.	Delhi	50.	Rohtak
17.	Dhanbad	51.	Sambalpur
18.	Gandhinagar	52.	Shillong
19.	Thane	53.	Shimla
20.	Guwahati	54.	Surat
21.	Gwalior	55.	Trichy
22.	Hubli	56.	Trivandrum
23.	Hyderabad	57.	Udaipur
24.	Indore	58.	Varanasi
25.	Jabalpur	59.	Vijayawada
26.	Jaipur	60.	Vishakhapatnam
27.	Jalandhar		
28.	Jalpaiguri		
29.	Jodhpur		
30.	Kanpur		
31.	Kolhapur		
32.	Kolkata		
33.	Lucknow		
34.	Ludhiana		

Schedule 'B'
(See Sub-Paragraph (2) of Paragraph 5)

1. Hardware Requirements

- (i) Intel Pentium IV or above
- (ii) 256 MB RAM
- (iii) UPS power backup for minimum 30 minutes
- (iv) A screen resolution of 800 x 600 pixels and display of 256 colours
- (v) CD writer/ Other backup devices like DAT drive
- (vi) 20 GB free hard disc space exclusive for ITD

2. Software Requirements

- (i) Windows 98 or Windows NT 4.0 Server/ Workstation or Windows 2000 Professional/ Server/ Advanced Server or Windows XP
- (ii) Antivirus (Mcafee or Symantec)
- (iii) Internet Explorer 6.0 or above/ Netscape 5.0 or above

3. Internet Connectivity

- (i) Dialup connection 56.6 kbps or above/ ISDN/ Leased Line

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