

**F.No.225/231/2017-ITA-II**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**

North Block, New Delhi,  
the 27<sup>th</sup> of September, 2017

**Order under section 119 of the Income-tax Act, 1961**

**Subject: The taxation and investment regime for Pradhan Mantri Garib Kalyan Yojana 2016 - representations under the Scheme pertaining to challan corrections and conversion etc. - reg.-**

Petitions have been received in CBDT from the declarants under the Pradhan Mantri Garib Kalyan Yojana, 2016, Scheme ('PMGKY') pointing out instances where incorrect challans were used for making payment of liability under the Scheme or some of the particulars in the challans were filled wrongly. Instances have also been reported where wrong challans were used for making payment of twenty-five percent of declaration under PMGKY towards Pradhan Mantri Garib Kalyan Deposit, 2016 Scheme ('PMGKD'). Due to such mistakes, some of the declarants were unable to file their declaration under PMGKY Scheme and have now approached Board for providing appropriate relief in such cases under section 119 of the Income-tax Act, 1961 ('Act').

2. Under PMGKY, the declarants were required to effect payment of tax, surcharge and penalty by 31<sup>st</sup> March, 2017 and file the declaration in Form No. 1. The last date for making deposit under PMGKD was also extended by Department of Economic Affairs ('DEA') vide notification S.O1218(E) dated April 19, 2017 till 30<sup>th</sup> April, 2017 in respect of cases where payments under PMGKY was made by 31<sup>st</sup> March, 2017. Later, CBDT vide Circular No. 21/2017 dated 21.04.2017 decided that if due tax, surcharge and penalty under PMGKY were received on or before the 31<sup>st</sup> March, 2017 and deposit in the Bond Ledger Account under the Deposit Scheme was received on or before the 30<sup>th</sup> April, 2017, the declaration in Form No.1 under PMGKY could be filed by 10<sup>th</sup> May, 2017.

3. The circumstances stated in the representations that are causing difficulties to the declarants from getting covered under PMGKY/PMGKD can be classified under the following broad categories –

- i. Instances where the declarants although paid the tax, surcharge and penalty under PMGKY by 31<sup>st</sup> March 2017 but were not able to make the 25% compulsory deposit under PMGKD on the ground that the banks could not accept the deposits due to last day rush or technical difficulties etc. For such cases, DEA had already extended the date of making deposit under PMGKD by 30<sup>th</sup> April, 2017 (*in respect of cases where tax, surcharge and penalty was paid on or before 31<sup>st</sup> March, 2017*). Therefore, no further relaxation seems to be required in such cases.
- ii. There are further instances where, the tax payers filed wrong particulars in Form-1 and they could not revise the return, as in most of the cases, the returns were filed on the last day. As CBDT vide Circular No.14 of 2017 dated 21<sup>st</sup> April, has already extended the time limit for filing Form-1 till 10<sup>th</sup> May, 2017, no further extension of time seems required in such cases also.



- iii. Cases have been reported where the declarants have used single challan no.287 (Challan for PMGKY) for making payment of taxes as well as deposits under PMGKD instead of separately making 25% compulsory deposit under PMGKD Scheme with the specified banks. Since the declarants did not made the PMGKD deposit separately as required under the Scheme within the specified due date, they became ineligible to file declaration under the Scheme. Therefore, no relief can be given in respect of such instances as well.
- iv. The most frequently reported difficulty in these representation pertains to the situations where the declarants have paid the tax, surcharge and penalty under PMGKY and have also made 25% compulsory deposit under PMGKD on or before the due date, i.e. 31<sup>st</sup> March, 2017, but were not able to file Form-1 due to the fact that either the tax or the compulsory deposit or both were made using wrong challans or by filling wrong particulars in challans. Thus despite abiding by the prescribed time limit and making all the payments/deposits within that period, they are deprived from availing the benefit of PMGKY Scheme merely because of use of wrong challan or making certain incorrect entries therein. It has been represented that merely due to procedural defaults, they have been caused to remain outside the ambit of PMGKY causing them great and genuine hardship and a request has been made to provide some functionality so that they are allowed to make corrections in the respective challans and make these acceptable for the purpose of PMGKY.

4. The matter has been examined. So far as the correction of challans pertaining to compulsory deposits under the PMGKD is concerned, the same does not fall within power of CBDT u/s 119 of the Act as the said Scheme was handled by the Department of Economic Affairs. As far as allowing corrections in challans pertaining to PMGKY is concerned, relief can be provided by facilitating the corrections in such challans technically through Systems and allowing the declarants to file Form 1 after making the corrections within a specified time limit so that their declaration gets regularized under PMGKY. However, where there is anomaly in PMGKD payment as well, the relaxation shall not be applicable for the reasons already stated above. The modalities for correction of PMGKY challans is mentioned in paragraph below.

5. For facilitating correction of challans in respect of PMGKY Scheme and subsequent regularization of filing of Form-1, the jurisdictional PrCsIT/CsIT shall be required to submit their recommendations in such cases pending with them by 15.10.2017 to ADG (Systems)-2, Directorate of Income-tax (Systems). The type of challan errors which can be corrected are:

- a) Change of Assessment Year to 2017-18;
- b) Correction in PAN No.;
- c) Change of Major Head from (0020), (0021) or {(0028) in IITNS 286} to {(0028) in ITNS 287, PMGKY challan};
- d) Change of Minor Head from (100), (300), (400) or (111) to {(112) in ITNS 287, PMGKY challan}

The correction would not apply to correction of challans in a vice-versa manner, i.e. challan for PMGKY sought to be used for the purposes of making payments towards Advance tax, Self-assessment Tax & Regular-assessment Tax.



6. Several representations have also been received requesting for correction of challan which was erroneously used for PMGKY payment whereas the same was for the purpose of payment of second installment of IDS Scheme, 2016 by the declarant who had filed a valid IDS declaration. In consideration of the matter, it has been decided that a PMGKY payment would be allowed to be converted into an IDS payment in which case the Major Head, Minor Head and Assessment Year, if required may be changed.

7. For correction of challans in para 5 & 6 above, the PrCsIT/CsIT would recommend the matter to the Directorate of Systems after taking into consideration whether the mistake requiring correction was bonafide or not. Thereafter, Directorate of Systems shall process these cases by 31.10.2017 and inform the declarants accordingly. Once an intimation regarding correction of challan for purpose of PMGKY payment is given to the declarant, he would be liable to file Form-1 declaration by 30.11.2017. Thereafter, after necessary verification, the concerned PrCsIT/CsIT will issue an acknowledgement in Form-2 to the declarant within the prescribed time frame under the PMGKY for the said purpose.

8. As far as correction of PMGKY challans to IDS challans is concerned, the necessary steps would be taken immediately in view of date for final installment of IDS Scheme.

9. However, it is reiterated that relaxation of PMGKY challans covers only those cases where Form 1 was pending due to non-credit of PMGKY challan. It cannot grant any relaxation to those cases where either the taxpayer wants to revise his declaration under the PMGKY or remove any error in deposit under the PMGKD in any manner, whatsoever.

10. It has also been brought to the notice of the Board that in some cases Form-2 for PMGKY Scheme was issued by the concerned Pr. CIT despite infirmities in information towards payment of PMGKY & PMGKD, short payment of due liabilities under the scheme, mismatch in data etc. In such cases, the Board directs that Directorate of Systems shall carry out a reconciliation of such Forms available with it and permit the concerned Pr. CsIT to issue a revised Form-2 in accordance with provisions of the PMGKY Scheme and guidelines for challan correction being issued now.

11. With this, all representations in the above matter stand disposed off accordingly.



(Rohit Garg),  
Director (ITA-II), CBDT.

**Copy to:**

- i. Chairman & All Members, CBDT
- ii. PPS to Revenue Secretary
- iii. All Pr.CCsIT/Pr. DsGIT/CCsIT/DsGIT
- iv. All Joint Secretaries/CsIT, CBDT
- v. Pr. DGIT(System) for further necessary action
- vi. Joint Secretary, Department of Economic Affairs
- vii. ADG (Systems)-IV for uploading on the order on [incometaxindia.gov.in](http://incometaxindia.gov.in)
- viii. JCIT(Database Cell) for uploading on departmental officers website
- ix. ADG(PR, PP) for placing on Twitter handle of Income-tax Department
- x. ITCC division
- xi. Guard File



(Rohit Garg),  
Director (ITA-II), CBDT.