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INCOME-TAX ACT, 2025

A: Procedure for assessment

Section 287 - Rectification of mistake.

(1) An income-tax authority referred to in section 236, for rectifying any mistake apparent from the record, may amend any—

(a) order passed by it under the provisions of this Act;

(b) intimation or deemed intimation under section 270(1);

(c) intimation under section 399.

(2) Irrespective of anything contained in any law in force, the authority concerned may, amend any order or intimation under sub-section (1) in relation to any matter, other than the matter considered and decided in any proceeding by way of appeal or revision, relating to such order or intimation.

(3) Subject to the other provisions of this section, the authority concerned,––

(a) may make an amendment under sub-section (1) of its own motion; and

(b) shall make such amendment for rectifying any such mistake which has been brought to its notice by—

(i) the assessee or the deductor or the collector; or

(ii) the Assessing Officer, if the authority concerned is the Joint Commissioner (Appeals) or the Commissioner (Appeals).

(4) No amendment that enhances an assessment, reduces a refund or otherwise increases the liability of the assessee or the deductor or the collector, shall be made under this section by the authority concerned without giving to such assessee or deductor or collector, as the case may be,––

(a) a notice of its intention of making such amendment; and

(b) a reasonable opportunity of being heard.

(5) The income-tax authority concerned shall pass an order in writing, if an amendment is made under this section.

(6) The Assessing Officer shall make refund which may be due to the assessee or the deductor or the collector, where an amendment reduces the assessment or otherwise reduces the liability of such assessee or the deductor or the collector.

(7) The Assessing Officer shall serve on the assessee or the deductor or the collector, a notice of demand in such form as may be prescribed specifying the sum payable,—

(a) where an amendment enhances the assessment or reduces a refund already made or otherwise increases the liability of such assessee or the deductor or the collector; and

(b) such notice shall be deemed to be issued under section 289 and the provisions of this Act shall apply accordingly.

(8) No amendment under this section, except as provided in section 288, shall be made after four years from the end of the financial year in which the order or intimation sought to be amended was passed.

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(9) Subject to sub-section (8), an income-tax authority referred to in sub-section (1), shall pass an order for making the amendment or refusing to allow the claim within six months from the end of the month in which the application for amendment under this section is received by it from the assessee or the deductor or the collector.

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