

BULK FILING OF RETURNS BY SALARIED EMPLOYEES, 2002

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BULK FILING OF RETURNS BY SALARIED EMPLOYEES, 2002

In exercise of the powers conferred by sub-section (1A) of section 139 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby frames the following Scheme, namely:-

1. Short title, commencement and application :-

(1) This Scheme may be called the Scheme for Bulk Filing of Returns by Salaried Employees, 2002.

(2) It shall come into force from the 1st day of July, 2002.

(3) It shall be applicable to all eligible employers and their eligible employees assessed to tax at Ahmedabad, Bangalore, Baroda, Bhopal, Chandigarh, Chennai, Delhi, Gandhinagar, Hyderabad, Jaipur, Jabalpur, Kolkata, Mumbai, Nagpur, Pune, and Thane.

2. Definitions :-

In this Scheme, unless the context otherwise requires,-

(a) "Act" means the Income-tax Act, 1961 (43 of 1961);

(b) "designated Assessing Officer" means an Assessing Officer as authorised by a Chief Commissioner or a Commissioner under this scheme;

(c) "Eligible Employer" means an employer who has a minimum of fifty employees with income exceeding maximum amount not chargeable to tax for the relevant financial year assessed at any specified city and who has been allotted tax deduction account

number (TAN), and includes Drawing and Disbursing Officer (DDO) in the case of the Central Government or the Government of a State or Public Sector Company;

(d) "Eligible Employee" means an individual deriving income from salaries from an eligible employer or Drawing or Disbursing Officer (DDO) at any one of the specified cities to which the Scheme is applicable and has been allotted Permanent Account Number (PAN);

(e) "Form" means a form appended to this Scheme;

(f) "specified city" means any city referred to in sub-clause (3) to Clause 1 of this Scheme;

(g) all other 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. Returns how to be furnished :-

The Scheme is optional, and provides an additional mode of furnishing of returns of income by persons deriving income from salaries. Under the Scheme, an 'eligible employee' may furnish his return of income for an assessment year which he is required to furnish under sub-section (1) of section 139 during any current financial year to his employer, who will transcribe the data of such returns on computer readable media using an authorised Bulk Return Preparation Software (BRPS), which will be made available by the Income Tax Department, and shall furnish these returns of income together with the data on specified computer readable media, called "Bulk return", to the designated Assessing Officer by the due date for furnishing of the returns of income under that sub-section.

4. Types of returns to be received :-

(1) The Scheme shall be applicable to employees whose total income does not include any income chargeable to income tax under the head "Profits and gains of business or profession".

(2) Following types of returns shall not be furnished under this Scheme-

(i) Return of income for any Assessment Year other than the Assessment Year for which he is required to furnish the return of income under sub-section (1) of section 139 during the current

financial year;

(ii) Return of income where no PAN or incorrect PAN of the employee has been quoted;

(iii) Return of income under section 158BC of the Income-tax Act and returns of any assessment year where the previous year falls within the block period;

(iv) Return of an employee having more than one employer during the previous year for which the return is being furnished;

(v) Return of employee who is not in receipt of his salary from the 'eligible employer' as on the last day of the previous year, for which the return is being furnished; and

(vi) A revised return of income under sub-section (5) of section 139 of the Incometax Act.

Provided that an employee having filed his return of income for a year under this Scheme, may furnish a revised return of income under sub-section (5) of section 139 of the Act before the Assessing Officer.

5. Steps for the "eligible employees" :-

An 'eligible employee' will have to take following steps for furnishing his return of income through his employer or DDO under the Scheme-

(i) Give consent to the eligible employer in consent form as appended to this Scheme for furnishing his return of income of an assessment year;

(ii) Furnish a return of income in Form No. 2D or Form No. 3 duly signed and verified as prescribed under section 140 of the Act, together with the documents required to be enclosed with such return, and enclose a photo copy of the PAN Card or intimation letter received for allotment of PAN to ensure that his PAN has been correctly quoted in the return of income;

(iii) In cases of claims of refund, either give consent in the consent form for the refund, to be delivered through such employer; OR indicate the particulars of the bank account (i.e., name of bank, address of the branch and account number) in which such refund is to be directly credited by the Assessing Officer through Electronic Clearing Scheme of RBI, and enclose the mandate form. For this,

the bank account in which the refund is to be credited should be in the same city where the return is being furnished; and

(iv) The refunds arising on processing of returns furnished under this Scheme shall not be sent through any mode other than those described in sub-clause (iii) above.

6. Steps for the "eligible employer" :-

(1) An 'eligible employer' will receive the duly signed and verified returns of income from his 'eligible employees' assessed to tax at any of the specified cities. The employer will transcribe correctly and completely the data contained in these returns of income using the Bulk Return Preparation Software (BRPS) to generate 'Bulk return' on a specified computer readable media. In case eligible employees of an eligible employer are assessed at more than one specified cities, separate 'Bulk returns' will have to be generated in respect of each specified city. The employer will furnish Bulk Return on a specified computer readable medium along with the corresponding returns of income in Form No. 2D or Form No.3 before the designated Assessing Officer of the respective specified city.

(2) An eligible employer will take the following steps -

(i) An eligible employer will take consent from the eligible employees willing to furnish their returns of income under the Scheme along with mandate forms, where refund is to be transferred to the bank account of the employee;

(ii) Receive the duly signed and verified returns of income in Form No. 2D or Form No.3 of the 'eligible employees' complete in all respects, together with the enclosures required to be furnished with these returns.

(iii) Ensure that PAN of the employees quoted in the returns of income are correct.

(iv) Verify that the TDS claim in respect of Salary income is as per the certificates in Form 16 issued by the DDO;

(v) Sort the returns according to the specified city where the concerned employees are assessed to tax;

(vi) Transcribe the data contained in these returns of income on computer readable media using the authorised Bulk Return

Preparation Software (BRPS). The BRPS can be collected from the Income Tax Department;

(vii) The specified computer readable medium for furnishing of Bulk return will be- (a) CD ROM of 650 MB capacity;(b) 4mm 2GB/ 4GB (90m/ 120m) DAT Cartridge; or (c) 3.5" 1.44 MB floppy diskette.

(viii) Ensure the correctness of the transcribed data on the 'Bulk return(s)' vis-a-vis the returns of income submitted by the employees;

(ix) Generate separate Forms of control charts (in duplicate) for the returns of income to be furnished at each specified city;

(x) Generate separate 'Bulk return' on any prescribed computer media using BRPS in respect of the 'eligible employees' being assessed at each of the specified cities. In no case, Bulk return of more than one employer/ DDO or relating to employees of more than one specified city of the same employers/DDO should be included on the same unit of computer readable media. Separate units of computer readable media should be used for returns pertaining to each specified city. Each unit of the computer readable medium used for a Bulk return should be serially numbered and affixed with labels indicating - (a) Name and TAN of the employer; (b) Name of the specified city; (c) Assessment year; (d) Serial number of the unit/ total number of units of the Computer readable medium used; and (e) Number of employees whose returns of income are included in that unit.

(xi) Arrange the returns of income in Form No. 2D or Form No. 3 in the same sequence as in the 'Bulk return' and give identical serial number both on the return of income and the 'Bulk return';

(xii) Placing a rubber stamp with words 'furnished electronically' on all challans and vouchers for pre paid taxes e.g., Self Assessment Tax, Advance Tax, TDS etc., enclosed with the return of income;

(xiii) Furnish the 'Bulk return' on the prescribed computer readable medium, along with the returns of income in Form 2D or Form 3 of the concerned employees, before the concerned designated Assessing Officer in the respective specified city by the due date for furnishing of returns of income under sub-section (1) of section 139 of the Act. It is for the 'eligible employees' and the 'eligible employer' to ensure that the Bulk return on virus-free and uncorrupted computer readable medium is furnished before the

designated Assessing Officer on or before the due date as prescribed under that sub-section;

(xiv) Only one Bulk return at one of the specified cities should be furnished for one assessment year;

(xv) In case a Bulk return is furnished after the due date prescribed in sub-section (1) of section 139 of the Income-tax Act, all returns of income included in that Bulk return shall be treated as furnished on that date and the relevant provisions of the Income-tax Act for late furnishing of return of income shall apply accordingly;

(xvi) Obtain an acknowledgement of the 'Bulk return' furnished on the control chart as appended to this Scheme. Also obtain the acknowledgements for the returns of income so furnished from the receiving official;

(xvii) Keep a backup of the 'Bulk return' till the receipt of acknowledgement thereof from the designated Assessing Officer. In case of unsuccessful retrieval of the data on the 'Bulk return' originally furnished by him, the eligible employer shall have to furnish another copy of the same to the designated Assessing Officer;

(xviii) Distribution of the acknowledgements of the returns and intimations under sub-section (1) of section 143, and demand notices received from the designated Assessing Officer (s) to the concerned employees;

(xix) Service of refund cheques of the respective employees received from the designated assessing Officers, in cases where the employee has given consent in consent form for refund to be delivered through the employer;

(xx) The service of refund cheques, demand notices and intimations under subsection (1) of section 143 to the employer shall be deemed to have been served upon the eligible employees; and

(xxi) Maintenance of necessary records relating to distribution of acknowledgements, intimations, and refund cheques to the concerned employees.

7. How to receive the returns under the Scheme :-

(1) The 'Bulk return' on the computer readable medium, together with the returns of income in Form No. 2D or Form No. 3 of the

concerned employees and the consent forms/mandate forms, will be received at the designated counter;

(2) The receiving official will upload the data on computer from the submitted computer readable medium, with the help of BRPS to ensure that the data files can be retrieved, and that the medium is virus-free. He will generate the control chart using the computer readable medium, and check the number of returns of income vis-a-vis the returns included in the 'Bulk return' on the computer readable medium. In case the media is not virus-free, or the data files are corrupted, the same will be returned to the employer for submission afresh. After these checks the receiving official will issue a signed receipt on one copy of the control chart, certifying the receipt of the returns mentioned therein. The date of issue of this signed receipt will be the date of furnishing of the returns.

(3) In case on verification at the receipt stage, it is found that the copies of the returns of income are more than the corresponding data on the Bulk return in computer readable medium, then the returns of income in Form No. 2D or Form No. 3 of the assessee whose data is not included in the Bulk return on computer readable medium, will be returned to the employer for being furnished separately before the concerned Assessing Officer. If it is found that the Bulk return on computer readable medium, contains data relating to more returns of income than the number of returns of income in Form No. 2D or Form No. 3 enclosed, then the Bulk return on computer readable medium will not be accepted and will be returned back to the employer along with all the returns of income at the receipt stage itself, for resubmission.

(4) The designated Assessing Officer will also issue individual acknowledgement for the returns of income in Form No. 2D or Form No.3 of each employee. Such acknowledgements shall be given by an appointed date not later than 10 working days after the date of receipt of returns.

8. Processing of the return :-

(1) The 'Bulk return' will be processed on priority basis, but in the same manner as the other returns of income which are received in the normal course are processed.

(2) After processing of the 'Bulk return', employee-wise intimations under sub-section (1) of section 143 would be generated only in the cases where there is a demand or a refund.

(3) The refunds arising to those 'eligible employees' who had given their consent for delivery of their refunds through the employer, would be prepared separately for service through the employer.

(4) The refunds arising to the remaining employees would be transferred by the designated Assessing Officer directly to their bank accounts, using the Electronic Clearing Scheme (ECS) of the RBI.

(5) A consolidated statement showing the result of the processing in respect of each return included in the Bulk return, the amount of resultant refund, the manner in which it is being issued, (i.e., whether the refund cheque is being sent to the employer, or credited to the bank account of the employee), shall be sent by the designated Assessing Officer to the concerned employer, together with the intimation, and the refunds cheques mentioned at sub-clause (3) above, for distribution amongst the concerned employees.