

Section - 12, Expenditure-Tax Act, 1987

Rectification of mistake.

12. (1) With a view to rectifying any mistake apparent from the record, the tax authority referred to in section 6 which passed any order under the provisions of this Act may, within four years of the date on which such order was passed, amend the order.

(2) Where any matter has been considered and decided in any proceeding by way of appeal or revision relating to an order referred to in sub-section (1), the authority passing such order may, notwithstanding anything contained in any law for the time being in force, amend the order under that sub-section in relation to any matter other than the matter which has been so considered and decided.

(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 if any mistake is brought to its notice,—

(i) by the assessee; or

(ii) where the authority concerned is the Commissioner (Appeals), by the [Assessing] Officer.

(4) An amendment, which has the effect of enhancing an assessment or reducing a refund or otherwise increasing the liability of the assessee, shall not be made under this section unless the authority concerned has given notice to the assessee of its intention so to do and has allowed the assessee a reasonable opportunity of being heard.

(5) Where an amendment is made under this section, an order shall be passed in writing by the tax authority concerned.

(6) Subject to the other provisions of this Act where any such amendment has the effect of reducing the assessment, the [Assessing] Officer shall make any refund which may be due to such assessee.

(7) Where any such amendment has the effect of enhancing the assessment or reducing the refund already made, the [Assessing] Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum payable and such notice of demand shall be deemed to be issued under section 20 and the provisions of this Act shall apply accordingly.