

Form 153 – Certificate & Notice of Demand by Tax Recovery Officer (TRO)

Purpose

Form 153 is a statutory **Certificate and Notice of Demand** issued by the **Tax Recovery Officer (TRO)** under the provisions of **section 413 or section 414 of the Income-tax Act, 2025**, read with **Rule No. 225 of the Income-tax Rules, 2026**.

It serves as a formal demand notice to a taxpayer (individual, company, or other entity) against whom **tax arrears** are outstanding, and authorises the TRO to initiate recovery proceedings in accordance with the prescribed statutory provisions.

Who should issue / receive

Issued by:

- Tax Recovery Officer (TRO).
- In cases falling under **section 414**, the issuing TRO acts on the basis of a **certificate forwarded by another TRO**, along with a certified copy specifying the arrears to be recovered.

Issued to:

- A taxpayer (individual, company, firm, trust, LLP, government entity, etc.) from whom **tax, surcharge, additional tax, penalty, interest, fine, or any other sum** has become due and remains unpaid.

Once default occurs and a **recovery certificate** is drawn up and forwarded, the TRO issues **Form 153** to initiate recovery proceedings.

Frequency & Due Dates

Form 153 is **not a periodic form**. It is **event-driven** and is issued **whenever a default occurs** and recovery proceedings are required to be initiated.

- A single Form 153 may cover **multiple tax years**.
- It may include **multiple heads of arrears**, such as income tax, surcharge, penalty, interest, fine, or other sums.
- The taxpayer is required to **pay the amount within 15 days** from the receipt of the notice.

Structure of Form 153

Form 153 has been modernised and structured into clear and logical parts, consistent with digital governance requirements.

Part A - Basic Information

Captures essential taxpayer identification and contact details:

- Name (full name without abbreviations)
- Permanent Account Number (PAN)
- Address (structured format – flat/door, premises, street, locality, city/district, state, PIN/ZIP code)
- Status (Individual, Company, Firm, Trust, LLP, Government, etc., as specified in Note 3)
- Contact details – Mobile number (with country code) and Email ID

This structured capture improves accuracy in identification and communication.

Part B – Details of Amount in Arrears

Provides a **tax year–wise detailed breakup** of arrears under the following heads:

- Income Tax
- Surcharge
- Additional tax (u/s 270)
- Penalty (relevant section)
- Interest (relevant section)
- Fine (u/s 246)
- Interest under section **411(3)** from the date the amount became due
- Any other sum

Each head is further classified into:

- Regular
- Advance
- Provisional

The form also provides for:

- **Aggregate amount payable** for each tax year
- Repetition of tax year–wise rows where arrears relate to multiple years

All amounts are to be filled in **₹ (Indian Rupees)**.

Operative Portion – Certificate & Notice of Demand

The operative portion of Form 153 contains:

- Certification that the specified sum has become due
- Reference to the **Document Identification Number (DIN)** and date of the recovery certificate
- Legal authority under **section 413 or section 414** of the Income-tax Act, 2025
- Direction to pay the arrears **within 15 days** of receipt
- Warning that failure to pay will result in recovery proceedings under **sections 413 to 422** and the **Rule No. 225 of the Income-tax Rules, 2026**.
- Liability for:
 - Interest under **section 411(3)**
 - Costs, charges, and expenses of recovery proceedings

The form is authenticated with the **seal and signature of the Tax Recovery Officer**.

Documents Required to Issue Form 153

Since Form 153 is **issued by the TRO** and not filed by the taxpayer, the following departmental records are required:

1. **Recovery Certificate** specifying arrears (from AO or another TRO, as applicable).
2. **Taxpayer Identification Records** – PAN, address, status, and contact details.
3. **Arrear Computation Sheet** – Detailed breakup of tax, surcharge, interest, penalty, fine, and other sums outstanding.

Filing Count

Form 153 is **not a recurring or periodic form**. It is issued **only upon default** and only when recovery proceedings are required to be initiated by the Tax Recovery Officer.

Process Flow of Form 153

1. **Default and Certification:**
Upon failure of the taxpayer to pay dues within the prescribed time, a recovery certificate is prepared and forwarded to the TRO.
2. **Issue of Form 153:**
The TRO issues Form 153 specifying the amount in arrears, tax year-wise breakup, legal provisions, and the **15-day payment timeline**.
3. **Recovery Proceedings:**
If payment is not made within the stipulated time, the TRO initiates recovery proceedings such as attachment or sale of property under **sections 413–422**.

Outcome of Form 153 Processing

For the Department (AO / TRO):

- Enables lawful and structured enforcement of recovery proceedings.
- Ensures traceability and auditability through DIN-based issuance.
- Facilitates real-time tracking of arrears and recoveries.

For the Taxpayer:

- Acts as the final statutory intimation before coercive recovery.
- Provides clear, tax year-wise and head-wise breakup of arrears.
- Enables timely compliance or rectification of discrepancies.

Brief Note on Broad or Qualitative Changes Incorporated

The finalised Form 153 reflects significant qualitative improvements over the earlier version:

- 1. Legal Alignment:**
 - Sections updated from **222–223 (1961 Act)** to **413–414 (2025 Act)**.
- 2. Enhanced Identification:**
 - Structured capture of name, PAN, address, status, and contact details.
- 3. Digital Governance Enablement:**
 - DIN-based issuance for traceability and audit trail.
 - Designed for e-generation and electronic service of notices.
- 4. Improved Data Presentation:**
 - Tax year-wise and head-wise breakup with regular/advance/provisional classification.
 - Removal of obsolete identifiers (e.g., GIR number).
- 5. Uniform Terminology:**
 - Use of “Tax Year” instead of “Assessment Year”.
 - Standardised currency notation as ₹.

Challenges and Solutions

Challenges in Old Form (1961)	Solutions in Finalised Form 153 (2025)
No unique traceability of recovery certificates	DIN-based identification for every Form 153
Limited taxpayer identification	Full structured identity and contact details
Weak linkage between assessment and recovery	System integration between AO, CPC, and TRO
Manual, text-heavy format	Digital-first, structured, and repeatable design

Common Changes Across Forms

1. Statutory Alignment

- Sections updated from **222–223 (Income-tax Act, 1961)** to **413–414 (Income-tax Act, 2025)**.
- Recovery provisions now refer to **sections 413–422** and the **Rule No. 225 of the Income-tax Rules, 2026**.

2. Digital Traceability

- Introduction of **Document Identification Number (DIN)** for every Form 153.
- Designed for **e-generation and e-service**.

3. Structured Format

- Form divided into **Part A (Basic Information)** and **Part B (Details of Amount in Arrears)**.
- Clear, logical, and system-friendly layout.

4. Enhanced Taxpayer Identification

- Detailed capture of **Name (full), PAN, Address, Status, Mobile number, and Email ID**.
- **Status** standardised with predefined categories (Individual, Company, LLP, Trust, etc.).

5. Tax Year-wise Reporting

- Use of “**Tax Year**” instead of “Assessment Year”.
- Provision to **repeat rows** for multiple tax years.

6. Detailed Break-up of Arrears

- Arrears classified head-wise:
 - Income tax, surcharge, additional tax, penalty, interest, fine, interest u/s 411(3), and other sums.
- Each head further split into **Regular / Advance / Provisional**.
- **Aggregate payable amount** auto-derivable.

7. Updated Interest Provision

- Interest referenced as **section 411(3)** (instead of section 220(2)).

8. Removal of Obsolete Elements

- **GIR number** removed.
- Redundant narrative text streamlined.

9. Standardisation

- Currency standardised to ₹.
- Uniform terminology and notes added for clarity.

10. Improved Legal & Operational Clarity

- Explicit **15-day payment timeline** retained with clearer consequences.
- Clear distinction between **section 413** and **section 414** cases (inter-TRO recovery).