

Form 153 – Frequently Asked Questions

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

Name of form as per I.T. Rules, 1962	Form 57	Name of form as per I.T. Rules, 2026	FN 153
Corresponding section of I.T. Act, 1961	222,223	Corresponding section of I.T. Act, 2025	413(1), 414(2)(b)(ii)
Corresponding Rule of I.T. Rules, 1962	117B	Corresponding Rule of I.T. Rules, 2026	RN 224

1.: What is Form 153?

Ans: Form 153 is a statutory **Certificate and Notice of Demand** issued by the **Tax Recovery Officer (TRO)** under **section 413 or section 414 of the Income-tax Act, 2025**. It is issued when tax arrears (including tax, interest, penalty, fine, or any other sum) remain unpaid. The form authorises the TRO to initiate recovery proceedings in accordance with **sections 413 to 422 of the Income-tax Act, 2025 and Rule 225 to the said Income-tax Rules, 2026**.

2.: Who issues Form 153?

Ans: Form 153 is issued by the **Tax Recovery Officer (TRO)**. In cases covered under **section 414**, the issuing TRO acts on the basis of a **recovery certificate forwarded by another TRO**, who has sent a certified copy of the certificate specifying the arrears to be recovered.

3.: Who receives Form 153?

Ans: The form is issued to the **defaulting taxpayer** from whom tax, interest, penalty, or fine is due. This may include individuals, companies, firms, or other entities.

4.: What is the purpose of Form 153?

Ans: Form 153 serves the following purposes:

1. Acts as a formal certificate of arrears and notice of demand.
2. Directs the taxpayer to pay the dues within 15 days of receipt.

3. Warns that failure to pay will result in recovery proceedings under sections 413–422 and the Rule 225 to the said Income-tax Rules, 2026.
4. Provides a detailed breakup of arrears under various heads (tax, surcharge, additional tax, penalty, interest, fine, and other sums), further classified as regular, advance, and provisional amounts.

5: Is Form 153 a periodic form?

Ans: No, Form 153 is **event-driven**. It is issued **only when a taxpayer defaults** on payment of dues and the Assessing Officer forwards a certificate to the TRO. It can cover **multiple tax years** or different heads of arrears in a single notice.

6: What are the key sections of Form 153?

Ans: Form 153 consists of the following main parts:

Part A – Basic Information

- Name
- Permanent Account Number (PAN)
- Address
- Status (individual, company, firm, trust, etc.)
- Contact details (Mobile number and Email ID)

Part B – Details of Amount in Arrears

- Tax Year-wise breakup
- Income tax, surcharge, additional tax, penalty, interest, fine, interest under section 411(3), and any other sum
- Classification of each head into **regular, advance, and provisional** amounts
- Aggregate amount payable

7: What documents are required for issuing Form 153?

Ans: Since the form is issued by the TRO, the following departmental documents are required:

1. **Certificate** from AO specifying tax arrears.
2. **Taxpayer Identification Records** – PAN, Aadhaar, address, and contact details.
3. **Arrear Computation Sheet** – Breakup of tax, interest, penalty, fine, and charges outstanding.

8: How is the recovery process initiated after Form 153 is issued?

Ans:

1. The TRO issues Form 153 to the taxpayer specifying the amount due.
2. The taxpayer is required to pay the sum **within 15 days**.
3. If payment is not made, the TRO can initiate **recovery proceedings**, including attachment or sale of property under sections 413–422.

9: Can Form 153 cover multiple assessment years or dues?

Ans: Yes. Form 153 can cover arrears relating to **multiple tax years**. Separate rows are provided (Row 6 to Row 8, repeatable as Row 9) to capture year-wise details and the aggregate dues for each tax year.

10: What should a taxpayer do on receiving Form 153?

Ans:

1. Review the **amounts in arrears** carefully.
2. Ensure that the **breakup of dues** (tax, interest, penalty, fine) is accurate.
3. Pay the **due amount within 15 days** to avoid recovery proceedings.
4. If discrepancies exist, the taxpayer may **contact the Assessing Officer (AO)/ Tax Recovery Officer (TRO)** for clarification before payment.

11: What happens if the taxpayer fails to pay after receiving Form 153?

Ans: Failure to pay will trigger **recovery proceedings under sections 413–422**, which may include:

- Attachment of bank accounts or property
- Sale of movable or immovable property
- Recovery through legal enforcement actions
- Additional interest and costs may accrue

12: Is there any time limit to respond to Form 153?

Ans: Yes, the taxpayer must **pay the arrears within 15 days** from the receipt of the notice. Delayed payment attracts **interest under section 411(3)** and additional recovery costs.

14: Who can a taxpayer contact in case of discrepancies in Form 153?

Ans: The taxpayer should contact:

1. **Assessing Officer (AO)** – For errors in the recovery certificate.
2. **Tax Recovery Officer (TRO)** – For clarifications regarding the Form 153 notice and payment procedures.

15: Are there any consequences for incorrect or delayed payments related to Form 153?

Ans: Yes, in addition to the arrears:

- **Interest under Section 411(3)** accrues daily from the due date.
- **Recovery costs, charges, and expenses** may also be added.
- Non-compliance can lead to **coercive recovery actions** under sections 413–422.

16: Is Form 153 applicable to individuals, companies, and entities?

Ans: Yes, it applies to all taxpayers (individuals, companies, HUFs, firms, AOPs, and other entities) from whom tax, penalty, interest, or other dues are outstanding.

17: Can Form 153 be updated or corrected once issued?

Ans: Corrections can only be made by the **TRO or AO**. The taxpayer cannot modify the form. Any discrepancy should be reported to the issuing authority.

Q18: What does “Status” mean in Form 153 and how should it be filled?

Ans:

“Status” refers to the legal constitution of the taxpayer. It must be selected from the categories specified in **Note 3 of Form 153**, such as Individual, Company, Firm, Trust, LLP, Government, Local Authority, etc., to correctly identify the nature of the defaulter for recovery purposes.