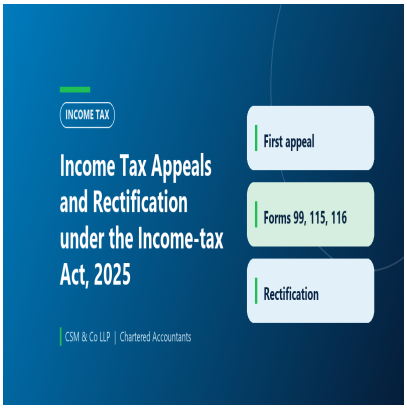


Income Tax Appeals and Rectification under the Income-tax Act, 2025: Forms 99, 115 and 116, Time Limits and Fees (Tax Year 2026-27)

Description

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Quick summary

- A first appeal against an intimation, assessment, reassessment or penalty order lies to the Joint Commissioner (Appeals) or Commissioner (Appeals) under sections 356 and 357, in Form 99 (the old Form 35), within thirty days of service of the notice of demand or the order (section 358).
- The fee is ?250, ?500 or ?1,000 depending on assessed income, the tax due on the income returned must be paid first (section 358(6)), and late appeals can be admitted for sufficient cause.
- A second appeal to the Appellate Tribunal lies in Form 115 (the old Form 36) within two months from the end of the month in which the order is communicated, with a fee of ?500, ?1,500 or 1% of assessed income up to ?10,000; cross-objections go in Form 116 within thirty days.
- A mistake apparent from the record in an order or intimation can be rectified under section 287 within four years from the end of the financial year of the order, and a High Court appeal on a substantial question of law is filed within 120 days (section 365).

An assessee who disagrees with an order of the Assessing Officer can appeal, first to the Joint Commissioner (Appeals) or Commissioner (Appeals), then to the Appellate Tribunal, then to the High Court on a question of law. A smaller mistake can be corrected by rectification. The Income-tax Act, 2025 (from 01/04/2026) keeps this ladder in **sections 356 to 365 and 287**.

Old and new references

Old	New
Section 246, 246A (orders appealable)	Sections 356 and 357
Section 249 (form and limitation), Form 35	Section 358, Form 99 (Rule 167)

Old	New
Section 250 (procedure)	Section 359
Section 251 (powers)	Section 360
Section 252, 253 (Tribunal), Form 36	Sections 361 and 362, Form 115 (Rule 193)
Form 36A (cross-objections)	Form 116 (Rule 193(2))
Section 254 (Tribunal orders)	Section 363
Section 260A (High Court)	Section 365
Section 154 (rectification)	Section 287
Section 263, 264 (revision)	Sections 377 and 378

First appeal: Joint Commissioner (Appeals) or Commissioner (Appeals)

Which orders can be appealed (sections 356 and 357)

An assessee, deductor or collector aggrieved by:

- an intimation under section 270(1) or 399(1) where adjustments are objected to;
- an assessment order under section 270(10) or 271 where the assessee objects to the income assessed, the tax, the loss computed or the status;
- an assessment, reassessment or recomputation under section 279 or 283;
- a penalty order under Chapter XXI (including enhancement) or a section 412 penalty for default in payment;
- an order under section 287 or 288 amending any of these, or refusing the claim;
- an order treating the assessee as agent of a non-resident (section 306), and other listed orders in section 357,

may appeal. Appeals against orders below the rank of Joint Commissioner go to the Joint Commissioner (Appeals) (section 356); the wider list in section 357 goes to the Commissioner (Appeals). No appeal lies before the Joint Commissioner (Appeals) if the order was passed by or with the prior approval of an authority above the rank of Deputy Commissioner (section 356(2)). Orders following directions of the Dispute Resolution Panel are not appealable at this stage (section 357(d) and (e)) and go to the Tribunal.

Form, fee and time limit (section 358)

Item	Rule
Form	**Form 99**, filed electronically and verified as for the return (section 358(1), Rule 167)

Item	Rule
Fee	?250 (assessed income up to ?1,00,000); ?500 (above ?1,00,000 up to ?2,00,000); ?1,000 (above ?2,00,000); ?250 where the subject matter is not covered by these (section 358(2))
Time	Within **thirty days** of the service of the notice of demand (assessment or penalty), or of the service of the intimation of the order in any other case (section 358(3))
Delay	The period from an application under section 440(1) to its rejection is excluded; a late appeal can be admitted for sufficient cause (section 358(4) and (5))
Pre-condition	The tax due on the income returned must have been paid; if no return was filed, an amount equal to the advance tax payable (section 358(6)); exemption possible on application, reasons recorded (section 358(7))

Hearing (section 359)

The appellate authority fixes the hearing, gives notice to the appellant and the Assessing Officer, and both can be heard. He can adjourn, make further inquiry, direct the Assessing Officer to inquire and report, and allow a new ground of appeal if its omission was not wilful or unreasonable. The order is in writing with the points for determination, the decision and the reasons (section 359). The powers include enhancing the assessment or penalty after notice (section 360). Additional evidence can be produced only in the cases in Rule 192.

Second appeal: Appellate Tribunal (section 362)

Any assessee aggrieved by an order of the Commissioner (Appeals) or Joint Commissioner (Appeals), by certain orders of a Principal Commissioner or Commissioner (including under sections 377, 439 and 465, and on registration of non-profit organisations), or by an assessment order passed on the directions of the Dispute Resolution Panel or with the approval of the Principal Commissioner or Commissioner under section 274(12), can appeal to the Tribunal (section 362(1)). The Principal Commissioner or Commissioner can direct the Assessing Officer to appeal against an order that he objects to (section 362(2)).

Item	Rule
Form	**Form 115** (appeal) and **Form 116** (memorandum of cross-objections), signed by the person who signs the appeal under Rule 167(3) (Rule 193)
Time	**Two months** from the end of the month in which the order is communicated (section 362(3))
Cross-objections	Within thirty days of the receipt of notice of the other party’s appeal, even if no appeal was filed (section 362(4))
Delay	Admitted if sufficient cause is shown (section 362(5))

Item	Rule
Fee	?500 (income up to ?1,00,000); ?1,500 (above that up to ?2,00,000); 1% of the assessed income up to a maximum of ?10,000 (above ?2,00,000); ?500 for other matters. No fee for the department's appeal or cross-objections. A stay application costs ?500 (section 362(6) to (8))

The Tribunal can pass orders after hearing both sides and can rectify a mistake apparent from the record within six months from the end of the month in which the order was passed (section 363).

High Court (section 365)

An appeal lies to the High Court from an order of the Tribunal only if the High Court is satisfied that the case involves a **substantial question of law** (section 365(1)). It is filed within **120 days** of receipt of the order, with a memorandum stating the question precisely, and the High Court can admit it late for sufficient cause (section 365(2) and (3)). The High Court formulates the question and hears the appeal on it (section 365(4) and (5)).

Rectification of mistakes (section 287)

An income-tax authority can amend any order passed by it, an intimation or deemed intimation under section 270(1), or an intimation under section 399, to rectify a **mistake apparent from the record** (section 287(1)).

- The authority can act on its own motion, and **must** act on a mistake brought to its notice by the assessee, deductor or collector (section 287(3)).
- It cannot amend a matter that was **considered and decided** in an appeal or revision (section 287(2)).
- An amendment that **increases** the liability or reduces the refund needs a **notice of intention and a hearing** (section 287(4)); a demand notice follows (section 287(7)).
- If it reduces the liability, the refund is made (section 287(6)).
- **Time:** no amendment after **four years** from the end of the financial year in which the order or intimation was passed (section 287(8)). An application must be disposed of within **six months** from the end of the month of receipt (section 287(9)).
- Section 288 allows other amendments in specified cases, such as the order of a partner or a member of an association of persons when the firm's or association's assessment changes.

What to do on receiving an adverse order

1. Note the date of service of the order and the notice of demand; compute thirty days.
2. Pay the tax due on the income returned (and decide whether a stay of the balance is needed).
3. File Form 99 with the grounds and the fee; attach the order and the demand notice.
4. If a mistake is apparent, consider a rectification application as well, but do not let the appeal deadline pass while you wait for it.

How CSM & Co LLP can help

We prepare and file appeals, rectification applications and stay requests and represent clients before the Commissioner (Appeals) and the Tribunal. Please reach out to our team and we will be happy to assist.

Frequently asked questions

Which sections of the 2025 Act deal with appeals?

Sections 356 and 357 (orders appealable to the Joint Commissioner (Appeals) and the Commissioner (Appeals), old 246 and 246A), section 358 (form, fee and limitation, old 249), section 359 (procedure and powers, old 250), sections 361 and 362 (Appellate Tribunal and appeals to it, old 252 and 253), section 363 (orders of the Tribunal, old 254) and section 365 (High Court, old 260A).

What is the time limit for the first appeal?

Thirty days from the date of service of the notice of demand where the appeal relates to an assessment or penalty, and in any other case from the date the intimation of the order is served (section 358(3)). The Joint Commissioner (Appeals) or the Commissioner (Appeals) can admit a late appeal if satisfied that there was sufficient cause (section 358(5)).

What must be paid before filing the first appeal?

The tax due on the income returned by the assessee where a return was filed, or an amount equal to the advance tax payable where no return was filed; the appellate authority can exempt a person from the second requirement on application, with reasons recorded in writing (section 358(6) and (7)).

What is the fee for the appeal?

?250 where the total income as computed by the Assessing Officer is ?1,00,000 or less; ?500 where it is more than ?1,00,000 but not more than ?2,00,000; ?1,000 where it is more than ?2,00,000; and ?250 where the subject matter is not covered by those cases (section 358(2)).

What are the time limit and fee for the Tribunal appeal?

The appeal in Form 115 must be filed within two months from the end of the month in which the order is communicated (section 362(3), Rule 193). The fee is ?500 for total income up to ?1,00,000, ?1,500 up to ?2,00,000, and 1% of the assessed income subject to a maximum of ?10,000 above that, and ?500 for other matters; a stay application costs ?500 (section 362(6) and (8)). A memorandum of cross-objections is filed in Form 116 within thirty days of the notice of the appeal (section 362(4)).

How do I correct a mistake in an assessment order or intimation?

By an application under section 287 to the authority that passed the order or intimation. The authority must pass an order within six months from the end of the month in which the application is received, and no amendment can be made after four years from the end of the financial year in which the order was passed (section 287(8) and (9)). An amendment that increases the liability needs a prior notice and a

hearing (section 287(4)).

Official sources

- Income Tax Department: Income-tax Act, 2025 (sections 287, 288, 356 to 365)
- Income Tax Department: Income-tax Rules, 2026 (Rules 167 and 193, Forms 99, 115, 116)

Related reading

- Income Escaping Assessment (Reassessment) under the Income-tax Act, 2025: Sections 279 to 285, Show-Cause Notice and Time Limits (Tax Year 2026-27)
- Cash Transaction Limits under the Income-tax Act, 2025: Sections 185 to 188 and Section 36(4) (Tax Year 2026-27)
- Income Tax Refund: How It Is Claimed, Interest on Refund, Set-Off and Tax on the Interest (Tax Year 2026-27)

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