

F. No. 312/109/2015- OT
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

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Office Memorandum

Sub: Issue of refunds-procedure to be followed in other cases where notice under Section 245 has been issued for ITRs processed in F. Y. 15-16- regarding

I am directed to refer to the **Board O.M. of even number dated 14th January 2016 regarding issue of refunds upto Rs 5000/-, and refunds in cases where outstanding arrears are upto Rs 5000/-, without any adjustment of outstanding arrears.**

2. In this regard, I am further directed to convey the decision of the Board that following procedure is to be adopted in other cases, which are not covered by the aforementioned relaxation, and where notice under Section 245 has been issued to the taxpayer:-

- (a) In cases where the tax payer has contested the demand, CPC would issue a reminder to the jurisdictional Assessing Officers about the contention of the taxpayer, asking them to either confirm, or make appropriate changes, to the demand, within thirty days. In case no response is received from the jurisdictional Assessing Officer, within the stipulated period of thirty days, CPC would issue the refund without any adjustment. The responsibility of non-adjustment of refund against outstanding arrears, if any, would lie with the Assessing Officer.
- (b) In cases where there is no response from the taxpayer, CPC would issue a reminder to the taxpayer, asking to either agree or disagree with the demand, and submit response on the e-filing portal, within thirty days. In case no response is received from the taxpayer, within the stipulated period of thirty days, CPC would adjust the demand, along with applicable interest u/s 220(2), against the refund due and issue the balance refund, if any, to the taxpayer.

3. In view of above, it is requested that all Assessing Officers in your region may kindly be directed to follow the aforementioned procedure in respect of pending refund cases, not covered by the earlier OM dated 14th January 2016.

4. This issues with the approval of Chairman, CBDT.

Yours faithfully
(Salil Mishra)
Director (OT&WT)

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.