

CBDT establishes procedures, monetary restrictions, and time constraints for withholding refunds.

Nov 10, 2023

F. No. 312/82/2022-OT



CBDT prescribes, in Instruction No. 2/2023 dated November 10, 2023, that the provisions of Section 245(2) shall apply where the value of the refund is Rs.10 Lacs or more.

CBDT prescribes that where Section 245(2) applies, the Faceless Assessing Officer (FAO), on receipt of information from CPC, shall inform the Jurisdictional Assessing Officer (JAO) about the demand likely to be raised in the pending assessments.

After analyzing the factual matrix of the case, JAO is expected to record reasons in writing with suitable application of mind, including:

- assessee's financial status,
- past demands,
- pendency of appeals
- JAO is also necessary to request the consent of the jurisdictional PCIT.

CBDT expressly states that the JAO's reasons must be thorough and reflect his factual analysis. JAO must then communicate his final decision on releasing or withholding the refund to CPC. CBDT also reduces the time limit for completing the prescribed process to 20 days for Faceless Assessment Units and 30 days for JAO.