



आयकरनिदेशालय (पद्धति)  
DIRECTORATE OF INCOME TAX (SYSTEMS)  
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नईदिल्ली /New Delhi-110055

F.No.: DGIT(Systems)-1/Instruction/241A/2022-23

Dated: 06.12.2022

To

All Principal Chief Commissioners of Income Tax/CCsIT  
All Principal Director Generals of Income Tax /DGsIT  
All Principal Commissioners of Income Tax/CsIT/CsIT(Admin & TPS)  
All Principal Directors of Income Tax/DsIT

Madam/Sir,

**Subject: - Revised Instruction for withholding of Refund u/s 241A in Scrutiny cases - prescribing time lines for submission of response to CPC -regarding-**

**Ref: - (1.) ITBA-ITR Processing Instructions No. 5 dated 14.12.2018.**  
**(2.) ITBA-ITR Processing Instructions No.14 dated 16.02.2022.**

Attention of the Assessing Officers is invited to ITBA-ITR Processing Instruction No.14 dated 16.02.2022, wherein detailed procedure to be followed by the Assessing Officers for withholding of refund u/s 241A or release of refund has been discussed. As per provisions of section 241A, where notice under 143(2) has been issued, the refund determined under section 143(1) can be withheld by the Assessing Officer with the previous approval of PCIT/CIT, if the Assessing Officer is of the opinion that grant of refund is likely to adversely affect the Revenue. The ITBA- ITR Processing Instruction No. 5 dated 14.12.2018 provides that, if the amount of refund determined is more than Rs 2,000 and the case is under scrutiny, such case will be referred by CPC to the Assessing Officer through ITBA to take action on either to withhold or to release the refund through the ITR Processing Module.

2. The time limit for intimation of decision by the AOs to CPC (regarding whether refund is to be withheld or released) is not stipulated. It is therefore decided as under:

- a. The time limit for submission of response from JAOs to CPC u/s 241A of the Act, shall be 50 days from the date of issue of notice u/s 143(2), or the date of processing, whichever is later.
- b. In case of Faceless assessment, Faceless Assessing Officer (FAO) shall convey the decision to JAO within 40 days from the date of issue of notice u/s 143(2), or the date of processing, whichever

is later and JAO shall ensure that the decision is submitted to CPC (through ITBA/ other system functionality such as BO portal/email, as applicable) within 10 days from the date of receipt of communication from FAO.

- c. In case where the JAO communicates that the provisions of section 241A of the Act are NOT invoked, CPC will release the refund within 10 days from the date of receipt of such communication from JAO, subject to other provisions of the Act.
- d. In case of non-submission of response by JAO within the time limit of 50 days, refunds due to the assessees shall be released by the CPC without further notice to FAO/JAO, subject to other provisions of the Act.
- e. The monetary limit for withholding the refunds u/s 241A of the Act stands increased from Rs. 2000 to Rs. 50,000.

3. This Instruction is applicable for the Returns of Income (ROIs) of AY 2022-23 onwards.

4. This Instruction is issued with prior approval of the Competent Authority.

Yours faithfully,

Additional Director General of Income Tax (Systems)-5,  
New Delhi

Copy to:

1. The P.P.S to Chairman, Member(L&S), Member(Inv.), Member(IT&R), Member(Adm.& Faceless Scheme), Member (Audit & Judicial) & Member (TPS), CBDT for kind information.
2. The P.S. to DGIT(S)-1 & DGIT(S)-2 for kind information.
3. The Data base Cell, with the request to upload the Instruction on [irsofficersonline.gov.in](http://irsofficersonline.gov.in) website.
4. ITBA Publisher ([Publisher@incometax.gov.in](mailto:Publisher@incometax.gov.in)) for <https://itba.incometax.gov.in> with the request to upload the Instruction on the ITBA Portal.

Additional Director General of Income Tax (Systems)-5,  
New Delhi