

**DIRECTORATE OF INCOME TAX (SYSTEMS)  
ARA Centre, Ground Floor, E-2, Jhandewalan Extension,  
New Delhi-110055**

**F.No. DGIT(S)/DIT(S)-3/AST/Refund Caging/81/2015-16**

**Dated: 13.03.2015**

To,

**The Principal Chief Commissioner of Income-tax /CCsIT(By Name)**

Ahmedabad/ Allahabad/ Amritsar/ Bangalore/ Baroda/ Bhopal/ Bhubaneswar/ Bareilly/ Chandigarh/ Chennai/ Cochin/ Coimbatore/ Dehradun/ Delhi/ Durgapur/ Guwahati/ Hubli/ Hyderabad/ Indore/ Jaipur/ Jalpaiguri/ Jodhpur/ Kanpur/ Kolkatta/ Lucknow/ Ludhiana/ Madurai/ Meerut/ Mumbai/ Nagpur/ Nashik/ Panaji/ Panchkula/ Patna/ Pune/ Raipur/ Rajkot/ Ranchi/ Shimla/ Shillong/ Surat/ Thane/ Trichy/ Trivandrum/ Udaipur/ Vishakhapatnam; and

**The Principal Commissioner of Income-tax / CsIT/ CsIT (CO)(By Name)**

Agra/Bikaner/Calicut/ Dhanbad/ Gandhinagar/ Gwalior/ Jabalpur/ Jalandhar/ Kolhapur/ Muzzaffarpur/ Mysore/ Patiala/ Rohtak/ Sambalpur/ Varanasi/ Vijaywada/ Delhi (CO)/ Mumbai (CO)/ Chennai (CO)/ Ahmedabad (CO)/ Bangalore (CO)/ Bhopal (CO)/ Bhubaneswar (CO)/ Kolkatta (CO)/ Cochin (CO)/ Chandigarh (CO)/ Hyderabad (CO)/ Jaipur (CO)/ Kanpur (CO)/ Patna (CO)/ Pune (CO)/ Guwahati (CO).

**Subject: - Non- migration of PANs due to pending Refund Caging - reg.**

Sir/ Madam,

Prior to implementation of cadre restructuring in Nov., 2014, a number of AST validations were executed at the time of migration of a PAN which restricted PAN migration, if any of the validation was pending. In these cases, the AO had to complete the action restricting such migration, to enable PAN migration.

2. It was anticipated that mass PAN migration could take place post-cadre restructuring. Therefore, consequent upon cadre restructuring, AST validations were relaxed or cancelled in non-critical cases for smoothen migration of PAN except refund caging pending cases which was considered as critical and the same was also duly approved by the Competent Authority. Therefore, necessary modifications were made in the System which is now maintaining the details of initiations/workflow reverted while PAN transfer for the validations relaxed / cancelled and it is visible to the destination AO so that new jurisdictional AO is able to take necessary action on the pending cases.

3. The field formations were expected to complete the pending caging work in respect of PANs lying under their jurisdiction before implementation of cadre restructuring so that these could be migrated to their new jurisdiction. However, this office is receiving references from field formations as well as complaints are being lodged at helpdesk wherein it has been reported that consequent upon cadre restructuring, numerous PANs have been transferred to new jurisdiction except those where refund caging is still pending. It is further reported that it is not possible to remove the caging of these PANs due to change of assessing officer who had effected caging of the cases. On analyzing the statistics obtained from the system, it is found that in many cases field formations had not completed refund caging exercise. Further, it is observed that various RCCs across the country have marked the jurisdictions at AO/Range/Charge level as 'OLD' and the PANs lying under them are now orphan and therefore caging in these cases cannot be completed.

4. In view of the issues discussed above, the following instructions are issued:

**(i) In case of presently active AOs having pending caging of the cases whose jurisdiction has been changed:**

The AOs are advised to complete the caging after due verification of the records irrespective of the new jurisdiction after cadre restructuring. After completion of the caging, the PAN can be migrated to its new jurisdiction.

However, in cases where a manual refund was already issued or present active AO do not want to complete the pending caging process. In such scenarios, the AO can block the refund for concerned AY by following the navigation path "ITD→AST→OTHERS→Block Refund". In this regard, the following instructions are to be followed:

(a) Cases where **caging is pending and refund has been issued manually**, in such cases, a pop-up message will be displayed onto AO's "Block Refund" screen and his confirmation will be sought. On getting confirmation, system will mark such refund cases as blocked for concerned A.Y.

(b) Cases where **caging is pending and AO verifies non-existence of any manual refunds** which is also verified by the system automatically, the active AOs can block these refund cases with their remarks.

With pending caging, in both the above scenarios, once the refund gets into blocked status for that A.Y., the system allows its PAN migration. The destination AO will not be able to unblock the refund cases which were blocked by adopting the procedure mentioned in 4(i)(a) above. In scenario of 4(i)(b) above, the destination AO can unblock the refund only after due verification and then can complete the caging process.

**(ii) In case of presently 'OLD' marked AOs with pending caging at the AO level:**

The jurisdictional CIT(if active) or CIT(CO) can migrate the PAN and in this case, the caging will also migrate to the destination AO as pending and to be completed by the destination AO after due verification of the record.

**(iii) In case of presently 'OLD' marked AOs with pending caging at the Range level:**

This scenario is under analysis and will be taken up separately on the basis of complaints lodged at Helpdesk.

**(iv) In case of presently inactive AOs having pending caging of the cases:**

The respective RCCs are to identify such inactive AOs and should be marked "Y" in "OLD Flag" against them. Thereafter, the PANs can be migrated with pending refund caging as discussed in 4(ii) & 4(iii) above.



5. The complete procedure is elaborated in the user manual for the functionality which is available on i-taxnet.
6. This instruction may be brought to the knowledge of all field officers working in your charge for necessary action.
7. For any system related issue, the officers may lodge a complaint at the Helpdesk for speedy resolution.
8. This issues with the prior approval of Pr. DGIT(S).

Yours faithfully,



(Ashish Abrol)

Addl. DIT(S)-3, New Delhi

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1. The P.P.S. to Member (L&C), CBDT for information.
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(Ashish Abrol)

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