

March 27, 2004

Chief Executive Officers of all Agency Banks
(as per list enclosed)

Dear Sir,

Streamlining the Procedure for Issue of Income Tax Refund Orders (ITROs)

Central Board of Direct Taxes, Government of India, New Delhi have since revised the procedure of issue of ITROs and discontinued the practice of forwarding Advice Notes to the paying banks separately in respect of refunds upto Rs.9999/- vide their Circular Instruction F.No. 385/25/97(IT)(B) dated November 6, 2003. Under the revised procedure, Advice Notes for refund of upto Rs.9999/- are forwarded by Income Tax Department to the assessee directly along with the relative ITROs. The assessee in turn is required to deposit both the instruments i.e. ITROs as well as Advice Notes with his bank for collection.

2. It has been brought to our notice that some assessee continue to deposit the ITROs without the 'Advices' at the bank branches which results in large-scale return of the instrument by the paying banks. The issue has attracted adverse criticism by the media as well as individual assessee. With a view to avoiding return of the ITROs by the paying bank for want of 'Advice', we shall be glad if you instruct all your branches accepting ITROs from customers to insist on presentation of 'Advices' also along with the ITROs.

3. You are also requested to put suitable banners/notices on this matter to improve awareness among your customers.

Yours faithfully,

sd/-

(Prabal Sen)
Chief General Manager

Name of Office :

Comparative position of ITROs returned for want of Advices during the first fortnight/second fortnight (from to)

| Month/Date | No. of ITROs received in Clearing | No. of ITROs returned | Percentage of return to presentation |
|---------------|-----------------------------------|-----------------------|--------------------------------------|
| 1. | 2. | 3. | 4. |
| March 16 | | | |
| March 17 | | | |
| March 18 | | | |
| March 19 | | | |
| April 1 | | | |
| April 2 | | | |

Withdrawn