

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

PRESS RELEASE

New Delhi, 11th March, 2016

Subject: - Non-enforcement of recovery of demand against the assessee where tax has been deducted but not deposited by the deductor - regarding

The Central Board of Direct Taxes had issued directions to the field offices that taxpayers whose tax has been deducted at source but not deposited to the Government's account by the deductor, will not be asked to pay the demand to the extent tax has been deducted from his income. A letter to this effect was issued on 01.06.2015. Through this letter an embargo had been put on direct demand against the assesseees in cases where the tax demand is on account of tax-credit mismatch due to non-payment of TDS to the Government account by the deductor.

Instances have come to the notice of the Board that these directions are not being strictly followed in field offices. An Office Memorandum has therefore been issued on 11.03.2015 reiterating the contents of the letter. It has been re-emphasized that the assessing officers shall not enforce demands created on account of mismatch of credit due to non-payment of TDS amount to the credit of the Government by the deductor.

The Office Memorandum dated 11.03.2016 is available on the website of the Department www.incometaxindia.gov.in.

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