

CBDT issues new guidelines to handle applications for condonation of delay in filing ITR with refund/losses

The Central Board of Direct Taxes (CBDT) has issued Circular No. 11/2024 supersedes all previous instructions regarding the condonation of delay in filing income tax returns for refunds and carry-forward of losses under section 119(2)(b) of the Income-tax Act, 1961. It outlines comprehensive guidelines for conditions and procedures for such applications based on monetary limits. The circular provides as under :

- The monetary limits for acceptance/rejection of applications for condonation of delay in filing returns claiming refund and returns claiming to carry forward of loss and set off thereof are as follows:
 1. Pr. Commissioners of Income Tax/Commissioners of Income Tax: Upto Rs. 1 crore for any one assessment year.
 2. Chief Commissioners of Income Tax: Exceeding Rs. 1 crore but not more than Rs. 3 crores for any one assessment year
 3. Principal Chief Commissioners of Income Tax: Exceeding Rs. 3 crores for any one assessment year
 4. Commissioner of Income Tax, Central Processing Centre (CPC), Bengaluru: For condonation of delay in verifying the return of income by sending the ITR-V.

- Time Limit for Applications: **No applications will be entertained beyond five years from the end of the assessment year.** This five-year limit applies to **applications filed on or after October 1, 2024.**
- A condonation application **should be disposed of within 6 months from the end of the month in** which the application is received by the competent authority.
- Giving effect to the insertion of section 139(9A) made by Finance (No. 2) Act, 2024, it is provided that the authorities shall ensure the existence of a reasonable cause and genuine hardship for the delay in filing ITR. Further, the Assessing Officers may be directed by the authorities to conduct enquiries to deal with the application on merits.
- If a refund claim arises due to a Court order, the period during which the **proceedings were pending before any Court shall be excluded when calculating the 5-year period.** However, the condonation application must be filed within six months from the end of the month in which the Court order was issued or the end of the financial year, whichever is later.
- A belated application for a supplementary refund claim (claiming additional refund after assessment for the same year) can be considered for condonation if other conditions are met. The authority to accept or reject such claims within monetary limits is delegated to Pr. CCsIT/CCsIT/Pr. CCsIT/CsIT, subject to these conditions:
 - The income of the assessee is not assessable in the hands of any other person under any of the provisions of the Act.Chief Commissioners of -
 - No interest will be admissible on belated claim of refunds.

- The refund has arisen as a result of excess tax deducted/collected at source and/or excess advance tax payment and/or excess payment of self-assessment tax as per the provisions of the Act.
- The delegation of powers, as per para 2 of this Circular shall also cover all such applications/claims for condonation of delay under section 119(2)(b) of the Act which are pending as on the date of issue of the Circular i.e. 1-10-2024.
- The Board reserves the power to examine any grievance arising out of an order passed or not passed by the authorities mentioned above and issue suitable direction to them for proper implementation of this Circular.

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