

INCOME TAX UPDATE

CBDT issues Fresh Guidelines for Handling Applications for Condonation of Delay Under Section 119(2)(b) for Refunds and Loss Claims



CBDT Issues Fresh Guidelines for Handling Applications for Condonation of Delay Under Section 119(2)(b) for Refunds and Loss Claims

CBDT issues Circular No. 11/2024 on 01.10.2024, which authorizes income-tax authorities to address applications or claims for refunds and carry forward of losses and set off thereof under section 119(2)(b) of the Income-tax Act, 1961. This circular supersedes all prior instructions/circulars/guidelines issued by CBDT in this context.

Key Highlights:

➤ Delegation of Powers

- Principal Commissioner of Income-tax/ Commissioner of Income-tax (Pr. CIT/CIT) are authorized to handle claims of up to ₹1 crore per assessment year.
- Chief Commissioner of Income-tax (CCIT) are authorized to handle claims between ₹1 crore to ₹3 crores per assessment year.
- Principal Chief Commissioner of Income-tax (Pr. CCIT) are authorized to handle claims exceeding ₹3 crores per assessment year.

➤ **Condonation of Delay**

The circular allows authorities to condone delays in filing returns related to refunds or carry-forward losses, provided they are filed within five years from the end of relevant assessment year. This five-year time limit applies to claims filed on or after October 1, 2024.

Applications should be processed within six months from the date of receipt, as far as possible.

➤ **Conditions for Acceptance**

When reviewing an application under Section 119(2)(b), authorities must ensure that the delay was due to a "reasonable cause" and that the applicant is facing genuine hardship.

Officers can direct jurisdictional Assessing Officers to conduct inquiries to verify the merits of the claim.

➤ **Court-Ordered Refunds**

If a refund arises due to a court order, the period during which the case was pending in court will be excluded from the five-year limit. 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 financial year whichever is later.

➤ **Supplementary Refunds**

Delayed application for a supplementary refund claim (additional refund after the assessment for the same year) can be accepted for condonation provided other conditions as referred in circular are fulfilled along with additional conditions mentioned below:

1. The income must not be assessable in another person's hands.
2. No interest will be granted on late refund claims.
3. The refund must result from excess tax deducted/collected, advance tax, or self-assessment tax payments.

For details, please refer:

[CBDT Circular No.11/2024 dated 01.10.2024](#)

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