

F.No.225/194/2019/ITA-II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

North Block, the th 5 August, 2019

Order under section 119 of the Income-tax Act,1961

Subject: Processing of returns with refund claims under section 143(1) of the Income-tax Act,1961 beyond the prescribed time limits in non-scrutiny cases-regd.

It has been brought to the notice of the Central Board of Direct Taxes ('Board') that due to certain technical issues or for other reasons not attributable to the assessee concerned, several returns for various assessment years up to the assessment year 2017-18, which were otherwise filed validly under section 139 or 142 of the Income tax Act, 1961 ('Act') could not be processed under sub-section (1) of section 143 of the Act. Consequently, intimation regarding processing of such returns could not be sent within the period of one year from the end of the financial year in which such returns were filed as prescribed in the second proviso to sub-section (1) of section 143 of the Act. This has led to a situation where the taxpayer is unable to get his legitimate refund in accordance with provisions of the Act, although the delay is not attributable to him.

2. To resolve the grievances of such taxpayers, earlier, Board has issued instructions viz. Instruction No 18/2013 dated 18th December, 2013; Instruction/Order dated 25.10.2016; and Instruction No 5/2018 dated 21.8.2018 allowing processing of such validly filed time barred returns with refund claims, where the statutory time-frame for sending intimation under sub-section (1) of section 143 had lapsed. Vide the Instruction No.5/2018 dated 21.08.2018, time frame was given till 31.03.2019 to process all valid unprocessed returns with refund claims up to assessment year 2016-17, subject to other conditions specified therein. Now, representations have been received to enable processing of returns, which though covered under these orders/ instructions, could not be processed for various reasons.

3. The matter has been considered. To mitigate genuine hardship being faced by the taxpayers on this issue, Board, by virtue of its powers under section 119 of the Act, hereby relaxes the time-frame prescribed in second proviso to sub-section (1) of section 143 and directs that all validly filed returns up to assessment year 2017-18 with refund claims, which could not be processed under sub-section (1) of section 143 of the Act and have become time-barred, subject to the exceptions mentioned in para below, can be processed now with prior administrative approval of Pr.CCIT/CCIT concerned

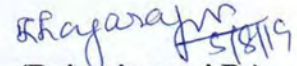
and intimation of such processing under sub-section (1) of section 143 of the Act can be sent to the assessee concerned by 31.12.2019. All subsequent effects under the Act including issue of refund shall also follow as per the prescribed procedures. To ensure adequate safeguards, it has been decided that once administrative approval is accorded by the Pr.CCIT/CCIT, the Pr.CIT/CIT concerned would make a reference to the Pr.DGIT(Systems) to provide necessary enablement to the Assessing officer on a case to case basis.

4. The relaxation accorded above shall not be applicable to the following returns :

- (a) returns filed for any assessment year prior to assessment year 2017-18, which were under scrutiny and were not processed in view of provisions of sub-section (1D) of section 143 of the Act;
- (b) returns remain unprocessed, where either demand is shown as payable in the return or is likely to arise after processing it;
- (c) returns remain unprocessed for any reason attributable to the assessee.

5. This may be brought to the notice of all for necessary compliance.

6. Hindi version to follow.

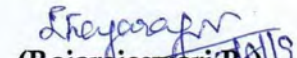

(Rajarajeswari R.)

Under Secretary, (ITA-II), CBDT

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Copy for information to:

- i. Chairman(CBDT) and all Members of CBDT
- ii. All Pr.CCsIT/DsGIT
- iii. Pr.DGIT(Systems) with request for further necessary action in the matter
- iv. ADG(Systems)-4 with request for uploading on department's official website
- v. Addl.CIT, Database Cell for uploading on IRS Officers website
- vi. Guard file


(Rajarajeswari R.)

Under Secretary, (ITA-II), CBDT