

Last chance to file updated I-T returns for FY23 to end on March 31

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March 31 is a national holiday on account of Eid, but for those who have to correct errors/omissions in the Income Tax Return filed for Assessment Year (AY) 2022-23 (FY 2021-22), it will be the final chance to file updated returns.

For updated returns filed after the expiry of 12 months and up to 24 months from the end of the relevant assessment year, additional income tax of 50 per cent of the aggregate tax and interest is to be paid. Accordingly, the due date for AY22 is over, while for AY23, March 31, 2025, would be the last date with payment of 50 per cent additional tax on the due amount (since this is the second year after the original filing due date). Similarly, for AY24, one can file an updated return

Updated e-Income Tax Return

Assessment year	Number	Tax paid (U/S 140 of IT Act, in ₹ cr)
2021-22	17,24,498	1,799.76
2022-23	40,07,494	3,940.14
2023-24	29,79,444	2,946.90
2024-25 (Up to Feb 28, 2025)	4,64,817	431.20

Source: Lok Sabha

with 25 per cent additional liability.

WHO IS ELIGIBLE?

Gaurav Jain, Partner with Forvis Mazars in India, advises computing the additional tax payable by adding regular tax liability with 50 per cent additional tax on the due amount, interest, penalty, and late filing fees (if applicable). Then reconcile income, TDS and other transactions with Form 26AS,

AIS and TIS and ensure payment of tax under Section 140B before filing the updated return and verify the payment through Challan No 280, he said.

Amit Gupta, Partner at Saraf and Partners, said the updated return was positioned to be a nudge for voluntary compliance by the taxpayers to avoid protracted litigation and protect themselves from penal consequences.

If undisclosed income is detected later, the taxpayer may face penalty of 50 to 200 per cent on tax due on concealed income under Section 270A. This will be added by interest under Sections 234A, 234B, and 234C on unpaid tax.

"In extreme cases, proceedings may be initiated under Section 276CC, leading to imprisonment of up to 7 years and a fine if the unpaid tax exceeds ₹25,000," he said.