

DESAI SAKSENA & ASSOCIATES

27th June, 2025

Friday Tax Alert

CBDT relaxes time limit for processing of valid ITRs filed pursuant to condonation of delay u/s 119(2)(b) of the Income Tax Act, 1961

Objective

Relaxation of the time-limit under 2nd proviso to Section 143(1) for processing valid ITRs filed electronically after condonation of delay under Section 119(2)(b) of the Act.

Eligible Returns

Valid returns filed on or before 31 March 2024, with delay condoned by a competent authority, but remained unprocessed due to technical/procedural issues.

New Deadline

Intimations under Section 143(1) for these ITRs must be issued by 31 March 2026.

Exclusions

Returns are excluded if, after filing, any proceeding under assessment, reassessment, re-computation, or revision (e.g., u/s 143(3), 147, 153A etc.) has already been completed.

Refunds & Interest

- Refunds due, along with interest, will be processed in eligible cases.
- However, if PAN-Aadhaar linkage is incomplete, no refund will be issued.

Implementation

The DGIT (Systems), Bengaluru, is tasked with setting up procedures to ensure issuance of Section 143(1) intimations by the new deadline.

Circular No. 07/2025 [F. No. 225/30/2025/ITA-II dated 25.06.2025]

Order set aside as AO granted insufficient time of just 1 day to respond to SCN: HC

Summary:

Where Assessing Officer issued show cause notice based on information that Assessee had given huge unsecured loans and thereafter, made addition under section 69B, **since insufficient time of just 1 day was granted to Assessee to respond to show cause notice**, impugned order was in **violation of principles of natural justice** and matter was to be remanded back to pass fresh order

FACTS OF THE CASE:

1. A search operation was conducted in case of JSK group and related entities and it was found that JSK Group had taken huge unsecured loans from various entities including the Assessee.

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2. Accordingly, the Assessing Officer issued a reopening notice upon the Assessee. Subsequently, Assessing Officer issued a show cause notice on 28.09.2021 granting an opportunity to the Assessee to show cause why a proposed variation should not be made to complete the assessment. The Assessee was granted time till 29.09.2021 to furnish a response.
3. The Assessee filed a reply on 29.09.2021 to the show cause notice making submissions on the proposed adjustment.
4. Thereafter, final assessment order dated 30.09.2021 was passed by the Assessing Officer under section 147 read with section 144B assessing the total income of the Assessee by making an addition under section 69B of the Income Tax Act, 1961.

CONCLUSION:

1. In the affidavit in reply, the revenue has not disputed that the show cause notice proposing variations was issued on 28.09.2021 and time given to reply was till 29.09.2021 and the assessment order was passed on 30.09.2021. **The revenue agree that the show cause notices granted just one day's time to the Assessee to furnish its response.**
2. In view of the above, **it is apparent that the revenue has acted in violation of the principles of natural justice by granting insufficient time of just 1 day to the Assessee** to respond to the show cause notice proposing variations.
3. Considering the aforesaid facts and circumstances, and without going into the merits of the case and other contentions, it is deemed appropriate to set aside the assessment order. **Accordingly, the assessment order dated 30.09.2021 is set aside and the matter is remanded back to the Assessing Officer to pass a fresh de novo order after providing an opportunity of hearing to the Assessee.**

Govt. extends the validity of FCRA Registration Certificates up to September 30, 2025

1. In continuation of Ministry of Home Affairs' Public Notice No. II/21022123(22)12020-FCRA/III, dated 28.03.2025, the Central Government, in public interest, has decided to extend the validity of FCRA registration certificates of the following categories of FCRA registered entities:
 - (i) The validity of registration certificates of such entities whose validity was extended till 30.06.2025 in terms of the Public Notice dated 28.03.2025 and whose renewal application is pending, will stand extended till 30.09.2025 or till the date of disposal of renewal application, whichever is earlier.
 - (ii) The validity of those FCRA entities whose 5 years validity period is expiring during 01.07.2025 to 30.09.2025 and who have applied/will apply for renewal before expiry of 5 years validity period, will stand extended up to 30.09.2025 or till the date of disposal of renewal application, whichever is earlier.

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2. All FCRA registered associations are therefore advised to take note that in case of refusal of the application for renewal of certificate of registration, the validity of the certificate shall be deemed to have expired on the date of refusal of the application of renewal and the association shall not be eligible either to receive the foreign contribution or utilise the foreign contribution received.
3. This issues with the approval of the Competent Authority. All concerned may take note of the above decision and take appropriate action in the matter.

F. No. II/21022/23(22)/2020-FCRA-II dated 24.06.2025

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From:

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