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File revised return with caution as repeated filings invite scrutiny

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Representational Image

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Filing income-tax return (ITR) is challenging, even with the aid of technology, and errors sometimes occur. Under Section 139(5) of the Income-Tax (I-T) Act, 1961, taxpayers can correct errors by filing a revised return, which substitutes the original return.

“A revised return is filed by the assessee after filing the original return to correct any errors or deficiencies,” says Pallav Pradyumn Narang, partner, CNK.

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Besides correcting errors, filing a revised return is also necessary for the processing of any tax refund that the taxpayer is entitled to. “The I-T Department does not impose penalties or charges for submitting a revised return,” says Aditya Chopra, managing partner, Victoriam Legalis, Advocates & Solicitors.

Key features

A revised return can be filed by anyone who filed the original return under Section 139(1) of the I-T Act. However, it must be filed by December 31 of the relevant assessment year (AY) or before the assessment is completed, whichever is earlier. For example, the deadline to revise a return for FY 2023–24 (AY 2024–25) is December 31, 2024.

There is no limit to the number of times a taxpayer can file a revised return within the allowed timeframe. “The Act does not specify any limit on filing revised returns. However, each should be filed carefully to avoid repetitive corrections and possible scrutiny,” says Amit Bansal, chartered accountant and partner, direct tax, Singhanian & Co.

Not revising has consequences

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A taxpayer who does not revise their return within the stipulated deadline would be stuck with the original return, including its errors. “If the authorities identify such an error, it leads to penalties, interest, and possibly an audit case,” says Alay Razvi, partner, Accord Juris.

Unreported income or gains must be declared through a revised ITR if omitted in the original ITR that was filed before the deadline. “Failure to report income and pay the correct tax can result in severe penalties,” says Chopra.

Pay heed to details

Verify your Form 26AS and ensure all details are captured in your revised return. Claim all the deductions you are eligible for and report all incomes.

Report foreign assets, bank accounts, etc., in Schedule FA, whether you earned taxable income on them or not.

If you choose the incorrect form while filing the original return, you need to file a revised return. “It is also essential to provide the correct assessment year (AY) when filing returns, as an incorrect AY can lead to issues like double taxation and unnecessary penalties,” says Chopra.

Consult a tax professional if the errors are complex or significant changes need to be made.

File the revised return as soon as you realise there is an issue. “Tax returns are processed quickly now, so don’t wait until the last minute to file your revised return,” says Savani.

While it is true that there are no specified limits on the number of times a taxpayer can revise their ITR, this should not be a reason for carelessness. “One has to exercise due caution since a revised return is more likely to attract regulatory attention and scrutiny. File a revised return only once,” says Narang.

Essential steps for filing a revised return

Identify error: Review your original return to confirm that a revision is necessary due to errors or omissions

Obtain and complete form: Get the correct form for filing the revised return and fill it with updated information

Explain changes: Provide a clear explanation of the corrections made

Submit return: File the revised return using the same method as your original submission (online or offline)

Meet deadline: Ensure you adhere to the deadline for filing the revised return

Maintain records: Keep a record of all supporting documents for future reference



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