

Section 349 of the Income Tax Act, 2025 mandates that where the total income of a registered NPO, exceeds the maximum amount not chargeable to tax for any tax year, shall furnish its return of income within the due date prescribed under section 263(1)(c).

The IT Act, 2025 does not recognise the concept of a belated return for a registered NPO which was available under IT Act, 1961. Exemption under the special NPO regime is available only where the return is furnished within the original due date specified u/s 263(1)(c). There is no reference to section 263(4), which otherwise permits belated filing of returns within the extended statutory timeline. The absence of reference to section 263(4) had a legal effect that a delay in filing the return would be treated as an "Other Violation" u/s 353.

The Finance Bill, 2026 proposes to amend Section 349 to insert a reference to section 263(4), allowing registered NPOs to file a belated return and still claim exemption. Accordingly, where the return is furnished within the time limit permitted for filing an original or belated return, it shall not be treated as an "Other Violation" u/s 353.

DO YOU KNOW?



The Finance Bill, 2026 proposes to amend Section 349 to insert a reference to section 263(4), allowing registered NPOs to file a Belated Return.

