IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO.1889 OF 2025

Teksons Private Limited .. Petitioner

Versus

Chief Commissioner of Income Tax Mumbai
and Anr. .. Respondents

Mr.K.Gopal and Ms.Neha Paranjpe, Advocates *for the Petitioner.*

Mr.Vikas T. Khanchandani, Advocate *for the Respondents.*

CORAM: B. P. COLABAWALLA &
FIRDOSH P. POONIWALLA, JJ.

DATE: MARCH 17, 2026

P. C.

1. Rule. Respondents waive service. With the consent of the parties, Rule made returnable forthwith and heard finally.

2. The present Writ Petition challenges the orders dated 11th December, 2024 and 10th March 2025 passed by Respondent No. 1, rejecting the Petitioner's application filed under section 119(2)(b) of the Income Tax Act, 1961 ("the Act") seeking condonation of delay in filing the Return of

Income for the Assessment Year 2022-23. The Petitioner is seeking appropriate directions for condonation of delay of 169 days in filing the return of income for the A.Y 2022-23 and permission to upload the returns on the E-filing Portal within a reasonable period of time.

3. Respondent No.1 rejected the applications of the Petitioner vide orders dated 11th December, 2024 and 10th March, 2025 by holding that the reasons given by the Petitioner for not filing the return of income do not fall within the criteria of genuine hardship and the Petitioner was not prevented by any reasonable cause from filing the return within the time period stipulated under section 139(1) of the Act.

4. The Petitioner contended that it has been regularly filing the return of income since last many years. The details of return of income for last 7 years are as under:

A.Y.	Date of Filing the Return	Acknowledgment No.
2015-16	30.09.2015	842472371300915
2016-17	16.10.2016	504056211161016
2017-18	31.10.2017	278085201311017
2018-19	21.10.2018	365183531311018
2019-20	27.09.2019	180024421270919
2020-21	13.02.2021	256873591130221
2021-22	30.03.2022	487447450300322
2022-23	Year under dispute	-
2023-24	10.10.2023	397102701101023

2024-25	29.11.2024	733759301291124

However, only in the year under consideration, the return could not be filed in time. It is submitted that as per section 139(1) of the Act, the due date for filing the return of income for the Assessment Year 2022-23 was 31.10.2022. The time limit for furnishing audit report under section 44AB of the Act was one month prior to the due date of filing the return of income, i.e. 30.09.2022. The same was extended to 07.10.2022 vide CBDT Circular No.19/2022, dated 30.09.2022. However, the Petitioner furnished the audit report on 29.03.2023 with a delay of 172 days. The Petitioner could not furnish the return of income as the time limit for filing the return as per section 139(1) and 139(4) of the Act had expired. Subsequently, on expiry of the time period under section 139 of the Act, the window for uploading the return on the Income Tax E-filing Portal was also closed.

5. The Petitioner submitted that the audit report and the return of income for the Assessment Year 2022-23 could not be furnished within the prescribed time period as certain disputes had arisen between the Directors of the Company with respect to certain contents in the financial statements of the Company and other management decisions etc. The said disputes subsequently culminated into NCLT proceedings which are still going on before the National Company Law Tribunal. Due to these reasons, the financial statements of the Petitioner could not be finalized on time. The same resulted in non-furnishing of the tax audit report and the return of income on time.

6. The Petitioner submitted that there is a delay of 169 days in filing the return of income till the date of filing of the application under section 119(2)(b) of the Act. The said delay occurred on account of the disagreements between the Directors of the company with respect to some contents in the financial statements and other management issues. The same resulted in proceedings before the National Company Law Tribunal (NCLT). The revised financial statements were approved by a majority of the Directors in a board meeting held on 25.02.2023. Therefore, with the approval of all the Directors of the Company, the tax audit report was uploaded and submitted to the Income Tax Department on 29.03.2023 with a delay of 172 days. The audit report was filed within the time prescribed under section 139(4) of the Act. However, no returns could be filed as the time limit for filing the return under section 139(1) and 139(4) had expired.

7. The Petitioner submitted that if the delay in filing the return of income is not condoned and it is not allowed to file the return of income for

A.Y. 2022-23, the Petitioner would lose the claim of unabsorbed depreciation of Rs. 1,94,29,709/-

8. On the other hand, the advocate for the Department, opposed the above contentions of the Petitioner and submitted that the reasons given by the Petitioner for the delay in filing the return of income were not expressly submitted before Respondent No.1. He further submitted that documents of the NCLT proceedings furnished by the Petitioner were not given to Respondent No.1 during the course of the proceedings under section 119(2)(b) of the Act. Thus, there was no reasonable cause for the delay in filing the return of income. Hence, Respondent No.1 was justified in rejecting the application.

9. In rebuttal, the Petitioner stated that, though the aforesaid reasons for delay in filing the return were not expressly mentioned before the Respondent No.1 in the initial application dated 25.04.2023 filed under section 119(2)(b) of the Act, the same were duly provided in the second application dated 02.01.2025 with the relevant documents, which can be referred from pages 156-157 of the Petition.

10. Having heard both parties, we note that undisputedly there is a delay of 169 days in filing the return of income for the year under consideration. From a perusal of the record we noticed that except for the A.Y. 2022-23, there is no default on the part of the Petitioner in filing the return of income in any earlier or subsequent Assessment years. Thus, after considering the aforesaid reasons for the delay, including the disputes between the Directors of the Petitioner Company, we are of the considered opinion that the delay in filing the return ought to be condoned. We accordingly quash and set aside the impugned orders dated 11th December, 2024, and 10th March, 2025 passed by Respondent No. 1 under section 119(2)(b) of the IT Act.

11. Now that the impugned orders are quashed, we also hereby condone the delay on the part of the Petitioner in filing the return of income and allow the Petitioner to upload the return within a period of four weeks from the date of uploading of the present order. The said return of the Petitioner may be treated as a return as per section 139(4) of the Act. We also direct the Department to open the window on the E-filing Portal for the said period for enabling the Petitioner to upload the return of income for the A.Y. 2022-23.

12. Rule is made absolute in the above terms and the Writ Petition is also disposed of in terms thereof. However, there shall be no order as to costs.

13. This order will be digitally signed by the Private Secretary/Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[FIRDOSH P. POONIWALLA, J.] **[B. P. COLABAWALLA, J.]**