

**IN THE INCOME TAX APPELLATE TRIBUNAL
BANGALORE "A" BENCH, BANGALORE**

**Before Shri Waseem Ahmed, Accountant Member
and
Shri Prakash Chand Yadav, Judicial Member**

ITA No. 1001/Bang/2024 (Assessment Year: 2020-21)		
MAF Clothing Pvt. Ltd. 21st Km Tumkur Road Adakamaranahalli Makali Post Karnataka 562123 PAN – AAFCM8114M (Appellant)	vs.	DCIT, Central Circle-1(4) Bangalore (Respondent)
Assessee by:	Shri Suresh Muthukrishnan, CA	
Revenue by:	Shri Chinmay Anand Jain, JCIT-	
Date of hearing:	01.07.2024	
Date of pronouncement:	02.07.2024	

ORDER

Per: Prakash Chand Yadav, J.M.

This appeal filed by the assessee challenges the order of the CIT(A)-11, Bangalore dated 22.03.2024 passed under Section 250 of the Income Tax Act, 1961 (the Act) in respect of Assessment Year (AY) 2020-21.

2. The brief facts of the case are that the assessee is, a private limited company engaged in the business of manufacturing and sale of readymade garments and apparels, filed its return of income on 18.01.2021 declaring a nominal income of Rs.6.38 crores and booked profit u/s. 115JB of the Act amounting to Rs.10.40 crores. The return of income was processed u/s. 143(1) of the Act on 23.12.2021. While processing the return of income the CPC, Bangalore (Assessing Officer) (AO) has made certain adjustments and additions.

3. Aggrieved with the order of the AO the assessee filed appeal before the Id. CIT(A) with a delay of 506 days. The Id. CIT (A) dismissed the appeal of the assessee in **limnee** without condoning the delay in filing the appeal, on the ground that the reasons explained by the assessee are not sufficient for condoning the delay.

4. Now the assessee has come up in appeal before us. The Id. Counsel of the assessee pointed out though there are 9 grounds of appeal in the present appeal, the issue is whether the Id. CIT (A) was correct in holding that there was no

sufficient cause for filing the appeal belatedly. To point out the factual scenario, the Id. Counsel of the assessee drew the attention of the Bench towards the petition for condonation of delay filed before the Id. CIT(A). He contended that in this case notice u/s 143(2) was issued to the assessee on 29.06.2021, and thereafter on 23.12.2021 the CPC has made certain adjustments u/s 143(1) of the Act. The Id. Counsel submitted that the assessee was under the bona fide belief that 143(1) intimation, is also a part of notice of 143(2) proceedings and the assessee would contest these adjustments in assessment proceedings. And hence he remained silent for challenging the action of CPC before CIT(A) in time.

5. The learned D.R., on the other hand, relied upon the orders of the authorities below.

6. After considering the rival submissions we observe that in this case there was a delay of around 506 days in filing the appeal out of which 127 days would pertain to the Covid-19 period. Therefore, in view of the CBDT guidelines and the directions of the Hon'ble Supreme Court the covid period is to be excluded from the total delay. The remaining delay of 397 days would be attributable on the bona fide belief of the assessee that s. 143(1) proceeding / intimation are also the notice of scrutiny proceedings and hence they did not file any separate appeal. Considering the totality of the facts and circumstances of the case we are of the view that the matter may be restored to the file of the Id. CIT(A), in the interest of justice, for deciding afresh in accordance with law. The Id. CIT(A) would provide a meaningful opportunity to the assessee before passing any order.

7. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 2nd July, 2024.

Sd/-
(Waseem Ahmed)
Accountant Member

Bengaluru, Dated: 2nd July, 2024
n.p.

Sd/-
(Prakash Chand Yadav)
Judicial Member

Copy to:

1. The Appellant
2. The Respondent
3. The CIT, concerned
4. The DR, ITAT, Bangalore
5. Guard File

By Order

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Assistant Registrar
ITAT, Bangalore