

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES: E : NEW DELHI

BEFORE SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER  
AND  
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER

ITA No.1050/Del/2024  
Assessment Year: 2014-15

The Shiv Shakti Educational Society,  
Mehlana Road,  
Sonapat,  
Haryana – 131 001.

Vs ITO,  
Exemption,  
Rohtak.

PAN: AADAT7095C

(Appellant)

(Respondent)

Assessee by : Shri Priyanshu Singhal, CA &  
Ms Mansi Jain, CA  
Revenue by : Shri Amit Katoch, Sr. DR  
Date of Hearing : 22.04.2025  
Date of Pronouncement : 22.04.2025

ORDER

PER ANUBHAV SHARMA, JM:

This appeal is preferred by the Assessee against the order dated 19.01.2024 of the Commissioner of Income-tax (Appeals), Visakhapatnam (hereinafter referred to as 'the Ld. FAA', for short), in Appeal No.NFAC/2013-14/10223639 arising out of the appeal before it against the order dated 16.03.2016 passed u/s 143(1) of the Income Tax Act, 1961 (hereinafter referred

to as 'the Act') by the DCIT, Centralized Processing Centre, Bengaluru (hereinafter referred to as the Ld. AO).

2. On hearing both the sides, we find that the assessee has primarily raised grounds No.1 and 2 on the basis that the appeal of the assessee was dismissed by the ld.CIT(A) by not condoning the delay. The ld. DR has submitted that the delay was of extremely long and unjustified period of seven years. The ld. AR has defended the same submitting that the assessee was diligently contesting the issue by way of filing a rectification application.

3. We find that the assessee had filed a revised return of income and an application u/s 154 of the Act before the competent authority. The appellant society is an educational society having gross receipt of less than Rs.1 crore and, as such, exemption u/s 10(23C)(iiad) of the Act is claimed by the assessee. It was submitted before the ld.CIT(A) that under the bona fide belief the assessee has filed revised return and has also filed a rectification application for deleting the demand, the appeal was not preferred. Admittedly, as per the order of the ld.CIT(A), the rectification application was not decided even after four years. In the instant case, order u/s 143(1) was passed on 16.03.2016. Thus, the four year period from the end of relevant financial year ended on 30.03.2020. The ld.CIT(A) admits that no order u/s 154 of the Act can be passed after the expiry of four years but for that ld. CIT(A) somehow holds assessee at prejudice

by observing that assessee should have not waited for its disposal till limitation or thereafter.

4. We are of the considered view that this limitation period is a sort of embargo on the powers of the assessing authority, so that rectification is not carried out after four years. However, where a rectification application is filed by the assessee then that certainly required to be adjudicated in a reasonable time. Keeping it pending certainly gives the assessee a bona fide belief that the grievance raised is under consideration and will be redressed at the level of rectification only.

5. Thus, in the facts and circumstances, though the appeal was delayed by almost seven years, but, certainly the indulgence was required by the Id.CIT(A) to ensure that the ends of justice are met by taking cognizance of the bona fide belief of the assessee society. Thus, in the facts and circumstances, we are inclined to allow the grounds No.1 and 2 and restore the issue on merits to the files of the Id.CIT(A) with a direction to condone the delay and decide the issue afresh giving due opportunity of hearing to the assessee. **The appeal is allowed for statistical purposes.**

Order pronounced in the open court on 22.04.2025.

Sd/-

(S. RIFAUR RAHMAN)  
ACCOUNTANT MEMBER

Sd/-

(ANUBHAV SHARMA)  
JUDICIAL MEMBER

Dated: 22<sup>nd</sup> April, 2025.

dk

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi