

IN THE INCOME TAX APPELLATE TRIBUNAL PANAJI BENCH  
PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER &  
SHRI G D PADMAHSHALI ACCOUNTANT MEMBER

I T A. Nos.71/PAN/2025  
(A.Y. 2018-19 )

Zuari Industries Limited, Jai kisaan Bhawan, Zuarinagar, Mormugo, Goa-403728.	Vs	National Faceless Assessment Centre, Delhi.
PAN/GIR No. AAACZ0306P		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Shri.Ankit Goyal.AR
Revenue by	Shri.Captain Pradeep Arya.DR

सुनवाई की तारीख/Date of Hearing	10.06.2025
घोषणा की तारीख/Date of Pronouncement	11.06.2025

**ORDER**

**PER PAVAN KUMAR GADALE JM:**

The appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC) Delhi /CIT(A) passed u/sec 143(3) and u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining the disallowance u/sec14A of the Act and not condoning the delay in filing the appeal.

2. The brief facts of the case are that, the assessee company is engaged in the business. The assessee has filed the return of income for A.Y.2018-19 on 29.11.2018 disclosing

a total income of Rs.5,86,00,220/- and the return of income was processed u/sec143(1) of the Act determining the total income of Rs.6,14,20,880/-.Subsequently the case was selected for complete scrutiny under CASS and the notice u/sec143(2) and u/sec142(1) of the Act along with questionnaire are issued. In compliance, the assessee has submitted the information and details through ITBA. The Assessing Officer (AO) on perusal of Audited financial statements and information find that the assessee has received the dividend income on shares of Rs.12,91,44,807/- and claimed exempted u/sec10(34) of the Act. Whereas the A.O. found that the assessee has made disallowance u/sec 14A of the Act of Rs.5,96,444/- and a show cause notice was issued and the assessee has filed the submissions on 23.02.2021 referred at para2.1 of the order. The A.O was not satisfied with the explanations and dealt on the provisions of section14A of the Act, Rule8D(2) of the IT Rules and computed disallowance u/sec14A r.w.r8D(2)(iii) of IT rules after setoff of disallowance of Rs.5,96,444/- which worked out to Rs. Rs.13,03,33,536/-and assessed the total income of Rs.19,17,54,420/- and passed the order u/sec 143(3) of the Act dated 26.04.2021.

3. Aggrieved by the order, the assessee has filed an appeal before the CIT(A) and there was a delay of 3 days in filling the appeal. Whereas the CIT(A) has not condoned the delay and dismissed the assessee appeal in limine. Aggrieved by

the CIT(A) order, the assessee has filed an appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Ld. AR submitted that the CIT(A) has not considered the facts that the assessee has received the A.O order u/sec143(3) the Act dated 26.04.2021 and has filed the appeal before appellate authorities on 28.05.2021. The Ld.AR also submitted that in the Covid 2019 period, the period from 15.03.2020 till 28.02.2022 shall be excluded for the purposes of limitation and hence delay of 3 day in filling the appeal is not a wanton Act. The Ld.AR emphasized that the assessee has good case on merits with supporting evidences which goes to roots of the case and play a vital role in the decision making and prayed for condonation of delay and opportunity before the lower authorities and the Ld.AR substantiated the submissions with the factual paper book. Contra, the Ld.DR relied on the CIT(A) order.

5. We heard the rival submissions and perused the material on record. Prima-facie, the CIT(A) has passed the order considering the fact that there is no proper compliance and the delay in filling the appeal was not explained with the reasonable cause. Whereas the assessee has raised grounds of appeal challenging the disallowance u/sec14A of the Act by the A.O and the Ld.AR demonstrated the intimation of admitting the appeal dated 29-06-2021 placed at page 5 of the paper book and subsequently the assessee has filed reply to notice/sec250

of the Act placed at page 6 to 65 and similarly the assessee also submitted the details on various dates placed in the paper book. We Considering the facts, provisions, find that the submissions of the Ld.AR are realistic and the limitation period is applicable in Covid2019 pandemic and the reasonable cause is explained. We find that no benefit is derived in causing delay in filing appeal before the CIT(A) and also the assessee is supported with sufficient cause and pragmatic approach should be considered for condonation of delay and accordingly the delay is condoned. Further we considering the principles of natural justice, shall provide with one more opportunity of hearing to the assessee to substantiate the case along with the evidences. Accordingly, set aside the order of the CIT(A) and remit the entire disputed issues to the file of the CIT(A) to adjudicate afresh on merits and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information for early disposal of appeal and We allow the grounds of appeal of the assessee for statistical purposes.

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

Order pronounced in the open court on 11.06.2025.

Sd/-

**(GD PADMAHSHALI)**  
**ACCOUNTANT MEMBER**

Panaji Dated: 11/06/2025

Sd/-

**(PAVAN KUMAR GADALE)**  
**JUDICIAL MEMBER**

**Copy of the Order forwarded to:**

1. The Appellant,
2. The Respondent
3. The CIT(A)-
4. CIT
5. DR, ITAT
6. Guard file.

//True Copy//

BY ORDER,  
(Asstt. Registrar)ITAT,  
Panaji

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			