

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“A”BENCH: BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER  
AND  
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No.92/Bang/2025
AssessmentYears:2018-19

Jurimatrix Services India Pvt. Ltd. G4, Aspen Building Manyata Embassy Business Park Hebbal Bangalore 560045  <b>PAN NO : AABCJ6157D</b>	<b>Vs.</b>	ACIT Circle 4(3)(1) Bangalore
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	:	Sri K.R. Girish, A.R.
<b>Respondent by</b>	:	Ms. Neha Sahay, D.R.

<b>Date of Hearing</b>	:	21.04.2025
<b>Date of Pronouncement</b>	:	15.07.2025

**O R D E R**

**PER KESHAV DUBEY, JUDICIAL MEMBER:**

This appeal at the instance of the assessee is directed against the order of the ld. PCIT dated 30.03.2023 vide DIN & Order No. ITBA/REV/F/REV5/2022-23/1051648832(1) passed u/s 263 of the Income Tax Act, 1961 (in short “the Act”) for the assessment year 2018-19.

**2.** The assessee has raised the following grounds of appeal:

1. General Grounds of Appeal

- 1.1. The Assessment Order dated 23 March, 2024, passed by the Ld. AO u/s 144 r.w.s. 263 of the Act is not in accordance with the law and is contrary to the facts and circumstances of the present case.
- 1.2. That on facts and in the circumstances of the case, the assessed total income and resulting tax thereon as computed by Ld. AO as per the assessment order and notice of demand u/s 156 of the Act dated 23 March 2024, is erroneous and bad in law, facts and is hereby disputed.
- 1.3. On the facts and circumstances of the case as well as in law, the Ld. AO has erred in not providing opportunity of being heard and thereby ignoring relevant details and relying on surmises, suppositions and conjectures in support of additions.
- 1.4. The Ld. AO erred in not providing sufficient and adequate opportunity to the Appellant as required under the law, thereby violating the principles of natural justice, and hence the order requires to be considered void.
2. On the facts and circumstances of the case as well as in the law, the Ld. AO has erred in not granting deduction u/s 10AA of the Act as claimed by the Appellant.
3. On the facts and circumstances of the case as well as in the law, Ld. AO has erred in considering the higher amount of book profit for computation of Minimum Alternate Tax u/s 115JB of the Act.
4. On the facts and circumstances of the case as well as in the law, the Ld. AO has erred in considering tax rate of 30 percent instead of 25 percent while computing at the tax liability of the Appellant.
5. On the facts and circumstances of the case as well as in the law, Ld. AO has erred in computation of interest u/s 234A of the Act even though the Appellant has filed its return of income within the statutory timeline.
6. On the facts and circumstances of the case as well as in the law, Ld. AO has erred in computation of interest u/s 234B and 234C of the Act.
7. The Ld. AO has erred on facts and circumstances of the case and in law by initiating penalty proceedings u/s 270A of the Act. Further the Assessment Unit has erred rejecting the contentions of the Appellant thereby issuing an order u/s 270A of the Act.
8. The Ld. AO has erred on facts and circumstances of the case and in law by issuing notice of demand u/s 156 of the Act resulting in demand of Rs 93,68,840 dated 23 March, 2024.

**The Appellant craves leave to add, alter, vary, omit, substitute or amend the above grounds, at any time before or at the time of hearing of the appeal. Each of the above objections is independent and without prejudice to the other grounds preferred by the Appellant.**

3. At the outset, there is a delay of 596 days in filing this appeal before this Tribunal. The assessee has filed an affidavit along with a condonation petition explaining the reasons for filing the appeal belatedly which are reproduced below for ease of reference and convenience:

**K R Girish & Associates**  
Chartered Accountants  
Income Tax Appellate Tribunal  
Bangalore Benches, Bangalore  
Date: 16/4/25

10 April, 2025

The Assistant Registrar  
Income-tax Appellate Tribunal  
51, 1<sup>st</sup> Cross Rd, 3<sup>rd</sup> Block East,  
4<sup>th</sup> T Block East, Tilak Nagar, Jayanagar  
Bengaluru-560041

**PAN: AABCJ6157D**

Dear Sir/Madam,

Re: Jurimatrix Services India Private Limited – Revised application for condonation of delay - Assessment Year 2018-19 (ITA 92/BANG/2025).

We refer to our appeal hearing before Hon'ble Tribunal, Bench –A on 05 March 2025. During the course of appeal hearing, Hon'ble Tribunal has directed to file a revised application for condonation of delay. In view of this, we have enclosed herewith copies of revised application for condonation of delay along with an affidavit for condonation of delay as **Annexure 1**.

We request you to kindly take the above documents on record and oblige. Should you have any questions, please do not hesitate to contact us.

Yours faithfully,

*M C J*  
Authorised Representative  
For Jurimatrix Services India Private Limited

Enclosures: Annexure 1

**K R GIRISH & ASSOCIATES**  
CHARTERED  
ACCOUNTANTS

Office: Unit 104, Brigade IRV Centre | Nallurhalli Main Road | Whitefield | Bangalore 560 066  
Tel: +91 80 4219 2002/4227 7076 | Website: www.krgassociates.in  
Firm Registration number: 16946-S  
GST Registration Number : 29AAUPG9362R2ZE



AND

The Assistant Commissioner of Income Tax  
BMTC Building, 80 Feet Road, 6th Block,  
Koramangala, Bengaluru - 560095

RESPONDENT

**AFFIDAVIT**

I Abhijat Shah, Director, of Jurimatrix Services India Private Limited having PAN No. AABCJ6157D and having its registered office at G4, Aspen Building, Manyata Embassy Business Park, Hebbal, Bengaluru - 560045 do hereby solemnly affirm and state as under:

That I am the Director of Jurimatrix Services India Private Limited, and I am competent to make this affidavit on behalf of the Company.

That I am fully conversant with the affairs of the Company and hereby solemnly state that the information given in the enclosed condonation petition is correct and complete and is truly stated to the best of my knowledge and belief.

Solemnly sworn on 28 January 2025, Bengaluru.

  
DEPONENT 

Identified by me,

ADVOCATE

Sworn before me



SWORN TO BEFORE ME *vatsala* 05 FEB 2025

Smt. VATSALA, B.A.L.,LL.B.,  
ADVOCATE & NOTARY PUBLIC  
GOVT. OF KARNATAKA  
# 10, 2nd Main, 13th 'C' Cross  
Agerahara Dasarahalli  
BENGALURU - 560 079

BEFORE THE HONORABLE INCOME TAX APPELLATE TRIBUNAL,  
BANGALORE  
In the case of

JURIMATRIX SERVICES INDIA PRIVATE LIMITED  
PAN: AABCJ6157D

ASSESSMENT YEAR ('AY') 2018-19  
PREVIOUS YEAR ('PY') 2017-18

CONDONATION FOR DELAY IN FILING OF APPEAL AGAINST ORDER UNDER SECTION 263 OF THE INCOME-TAX ACT, 1961, DATED 30 MARCH 2023, AGAINST ORDER UNDER SECTION 144 r.w.s. 263 OF THE INCOME-TAX ACT, 1961, DATED 23 MARCH 2024 AND AGAINST ORDER UNDER SECTION 270A OF THE INCOME-TAX ACT, 1961, DATED 27 SEPTEMBER-2024

**REQUEST FOR CONDONATION OF DELAY**

Jurimatrix Services India Private Limited (hereinafter referred to as "Company" or "Appellant") is a company engaged in the business of providing legal support services to its clients. The company's operations are in Special Economic Zone located in Manyata Tech Park, Bangalore.

The Appellant has e-filed its return of income on 30 November, 2018 vide acknowledgement number 382537631301118 for the Assessment Year ("AY") 2018-19 declaring taxable income of Rs. 2,38,52,900 as per the normal provisions of Income-tax Act, 1961 ("the Act"). Book profit of Rs 5,34,00,732 was taxable under section ("u/s") 115JB of the Act and tax including interest thereon totaling to Rs 1,18,08,674 was paid.

Subsequently, the Company received notices u/s 143(2) and section 142(1) of the Act calling for certain information/details. The information called for was furnished from time to time. Thereafter the Learned Assessing Officer ("Ld. AO") completed the assessment vide his order u/s 143(3) read with sections 143(3A) & 143(3B) of the Act dated 17 February, 2021 without making any additions to the total income of the Appellant.

Subsequently, a notice u/s 263 of the Act dated 24 February, 2023 was issued to the Appellant, to show cause as to why assessment order dated 17 February, 2021 should not be set aside. The Appellant submitted its response on 02 March, 2023 and objected to setting aside the order u/s 143(3). However, the Learned Principal Commissioner of Income Tax ("Ld. PCIT") rejected the Appellant's contention. The Ld. PCIT considered the assessment order dated 17 February, 2021 as erroneous and prejudicial to the interest of revenue and therefore, directed the Ld. AO to make a fresh assessment vide its order issued u/s 263 of the Act dated 30 March, 2023.



*Abhyat Shah*

Pursuant to Ld. PCIT order, Ld. AO made a fresh assessment and passed an order u/s 144 r.w.s. 263 of the Act dated 23 March 2024 (received on 29 March, 2024) and made total addition of Rs 13,37,414 to the total income of the Appellant. The Ld. AO made the following adjustments to the total income:

- Disallowance of bonus paid to employee u/s 36(1)(ii) of the Act – Rs 13,201
- Disallowance of delayed employee contribution of PF & ESI under 36(1)(va) – Rs 13,24,213

Additionally, in the computation of income forming part of assessment order dated 23 March 2024, the Ld. AO had made certain mistakes which were apparent from record. The following mistakes apparent from record were made:

- Deduction u/s 10AA of the Act amounting to Rs. 2,94,24,184 is not taken into consideration even when the Appellant has made a proper claim in ITR and also filed Form 54 within the due date.
- Higher amount of book profit was considered for the computation of Minimum Alternate Tax u/s 115JB of the Act by the Ld. AO
- Higher rate of income tax of 30% is considered for AY 2018-19 vis a vis 25% as applicable vide Finance Act, 2017
- Computation of interest u/s 234A of the Act even when the Appellant has filed its return of income within the statutory due date
- Incorrect computation of interest u/s 234B and 234C of the Act

Separately, penalty proceedings u/s 270A of the Act was also initiated for under-reporting of income and a show cause notice u/s 274 read with section 270A of the Act was issued to the Appellant on 23 March, 2024. The Appellant filed its reply against the show cause notice on 23 May, 2024. Subsequently, another notice for video conference hearing was issued and was held on 02 September, 2024. The Appellant attended the virtual hearing and filed a detailed reply to show cause notice on 05 September, 2024 with the Assessment Unit, Income Tax Department. The Assessment Unit did not agree with the submissions of the Appellant and passed an order u/s 270A of the Act dated 27 September, 2024 to levy penalty of Rs.184,245.

Aggrieved by the aforementioned assessment order issued by Ld. AO passed u/s 144 r.w.s. 263 of the Act dated 23 March 2024 and penalty order u/s 270A of the Act dated 27 September 2024. issued by Assessment Unit, the Appellant e-filed an appeal before the Learned Commissioner of Income Tax (Appeals) [Ld. CIT(A)] on 23 November 2024 and 21 November 2024 respectively which are pending as on date of filing this appeal.

Thereafter, the Company basis an independent advice wishes to file present appeal with Hon'ble Income Tax Appellate Tribunal ("ITAT") against the order issued u/s 263 of the Act as the Company is of the view that the appeal filed before Ld. CIT(A) could be construed as not been filed at the correct forum. The Company was informed that since the genesis of the dispute in the case on hand emanates from the order passed by the Ld. PCIT u/s 263 of the Act. Therefore, all the proceedings in



*Shilpa Shal*

*JURIMATRIX SERVICES INDIA PRIVATE LIMITED  
Request for condonation of delay*

consequence of the order of Ld. PCIT u/s 263 of the Act including assessment order issued u/s 144 r.w.s. 263 of the Act cannot be challenged until and unless the proceedings u/s 263 are agitated by the Appellant before Hon'ble ITAT.

The Appellant humbly submits that there was a bona fide and reasonable cause for the Company in not filing the appeal before your Honours within time allowed under the Act, which is evident from the fact that the Company was pursuing alternate remedy available under the Act and appeared before the Ld. AO for consequential assessment proceedings. We humbly submit that it is not a case of "negligence" of the Appellant that it did not file appeal or not pursuing alternate remedy available under the Act to challenge the order as per the Act, because the Appellant would not derive any undue benefit by not preferring appeal against the said order passed under the Act. The aforesaid facts show that the Appellant was pursuing its remedy in the wrong forum.

In view of the above, the Company in order to take remedial action of a genuine and bonafide act have filed this appeal against the order of the Ld. PCIT u/s 263 of the Act where the issue originated for your Honours kind consideration on 16 January 2025 (hard copy of appeal was filed on 17 January 2025). We would like to humbly submit before your Honours that grounds of appeal raised before your Honours are same as raised in the appeal filed before Ld. CIT(A). A copy of the appeal filed before Ld. CIT(A) against impugned assessment order and penalty order is attached herewith for your Honours reference.

We have summarized below the chronology of events for your Honours easy reference:

- Date of filing income tax return by the Company – 30 November 2018
- Date of initial assessment order u/s 143(3) read with sections 143(3A) & 143(3B) of the Act - 17 February, 2021
- Date of revision order u/s 263 of the Act – 30 March 2023
- Date of fresh assessment order u/s 144 r.w.s. 263 of the Act - 23 March 2024 (received on 29 March, 2024)
- Date of penalty order u/s 270A of the Act - 27 September, 2024
- Date of filing appeal before CIT(A) against penalty order – 21 November 2024
- Date of filing appeal before CIT(A) against assessment order dated 23 March 2024– 23 November 2024
- Date of e-filing of appeal on ITAT website – 16 January 2025
- Date of filing hard copy of Form 36 and appeal documents – 17 January 2025
- Date of filing rectified Form 36 – 04 March 2025

Computation of delay in filing of appeal before CIT(A):

- Due date of filing appeal before Ld. CIT(A) - Where the appeal relates to any assessment or penalty, an appeal should be presented within 30 days from the date of service of notice of demand relating to the assessment or penalty order.



*JURIMATRIX SERVICES INDIA PRIVATE LIMITED  
Request for condonation of delay*

---

- Computation of delay in filing an appeal against assessment order - Date of service of notice of demand relating to the assessment order was 29 March 2024. Therefore, an appeal before Ld. CIT(A) was required to be filed within 28 April 2024.

Aggrieved by the mistakes apparent from the record in the assessment order, the Appellant filed a rectification application u/s154 of the Act on 06 May 2024. The Appellant was of the bonafide belief that since mistakes apparent from record are the only grievances it had, therefore, the Company on a genuine and bonafide belief did not pursue an appeal before the Ld. CIT(A) within the due date of filing of appeal. The Company regularly followed up with the Ld. AO office regarding the rectification application, however, Ld. AO did not act on the rectification application till date of filing of appeal before Ld. CIT(A) i.e. 7 months. Accordingly, the Appellant was prevented from filing an appeal within the statutory deadline. The Company was therefore compelled to file an appeal before Ld. CIT(A) on the same issues as raised in the rectification application due to inaction by the Ld. AO.

Therefore, there was a delay of 209 days in filing appeal before the Ld. CIT(A) due to Appellant's genuine and bonafide belief that grievances raised in rectification application filed u/s 154 would provide required and timely justice to the Appellant.

- Computation of delay in filing an appeal against penalty order - Date of service of notice of demand relating to the penalty order was 27 September 2024. Therefore, an appeal before Ld. CIT(A) was required to be filed within 27 October 2024.

The Appellant was occupied with year end audit and regulatory compliances and missed the deadline for filing appeal against the penalty order within the statutory deadline. However, on realizing the mistake, the Appellant swiftly filed an e-appeal against the penalty order before the Ld. CIT(A) on 21 November 2024. The Appellant prays to your Honours that it was a genuine and bonafide mistake of the Appellant in delayed filing of appeal before the Ld. CIT(A).

Therefore, there was a delay of 25 days in filing appeal before the Ld. CIT(A) due to Appellant's genuine and bonafide mistake in missing the deadline in filing the appeal.

- Computation of delay in filing of appeal before your Honours against order u/s 263: The due date for filing the appeal against order u/s 263 of the Act is within two months from the end of the month in which the order sought to be appealed against is communicated to the assessee.

In the present case, order u/s 263 sought to be appealed against was communicated to the Appellant on 30 March 2023 wherein original assessment order was set aside



by the Ld. PCIT, and a direction to pass fresh assessment order was made to the Ld. AO. The Company accepted the adjustments proposed by the Ld. PCIT and did not prefer an appeal against the said order to avoid litigation. Your Honours would appreciate that the Company did not raise any grounds relating to adjustments proposed by Ld. PCIT in the appeal filed before Ld. CIT(A) and appeal filed before your Honours. The Appellant still believes that rectification application could provide the required justice considering the facts of the case.

Further, in catena of cases it has been held that if remedy is pursued on wrong forum then if assessee is filing appeal in correct forum. In such a case, condonation of delay shall be allowed. Reliance is to be placed on the following judgments on a similar grounds:

- Judgment of Hon'ble ITAT Lucknow Bench in the case of Shri Anurag Rastogi Vs. Income Tax Officer-3(1), Kanpur ITA No.360/LKW/2019 enclosed
- Judgment of Hon'ble High Court of Jharkhand in the case of State of Jharkhand vs. Ashok Kumar Chokhan (AIR 2009 SC 1927) enclosed
- Judgment of Hon'ble High Court of Judicature at Bombay in the case of – Pattherab Narsu Patil & Anr. Vs. Sou. Gangu A. Lad & Ors. (2019(2) Bom.C.R.436) enclosed
- Judgment of Hon'ble Maharashtra Real State Appellate Tribunal in the case of Mysore Sainath Lavanya vs. M/s AkshayGruha in Appeal No. 000600000021171 enclosed

Further reliance is placed on the judgment of Hon'ble Supreme Court of India in the case of Collector Land Acquisition, Anantnag & Anr. Vs Mst. Kataji & Ors. laid down the following guidelines in condonation of delay:

- Ordinarily a litigant does not stand to benefit by lodging an appeal late.
- Refusing to condone delay can result in a meritorious matter being thrown out at the very threshold and cause of justice being defeated. As against this when delay is condoned the highest that can happen is that a cause would be decided on merits after hearing the parties.
- "Every day's delay must be explained" does not mean that a pedantic approach should be made. Why not every hour's delay, every second's delay? The doctrine must be applied in a rational common sense pragmatic manner.
- When substantial justice and technical considerations are pitted against each other, cause of substantial justice deserves to be preferred for the other side cannot claim to have vested right in injustice being done because of a non-deliberate delay.
- There is no presumption that delay is occasioned deliberately, or on account of culpable negligence, or on account of mala fides. A litigant does not stand to benefit by resorting to delay. In fact he runs a serious risk.
- It must be grasped that judiciary is respected not on account of its power to legalize injustice on technical grounds but because it is capable of removing injustice and is expected to do so.

JURIMATRIX SERVICES INDIA PRIVATE LIMITED  
Request for condonation of delay

In view of above, the Appellant humbly prays your Honours to kindly condone the delay in filing of appeal and allow the Appellant to file an appeal against the order passed under section 263 of the Act and order passed under section 270A of the Act.

The Appellant apologizes for such delay in filing of appeal and inconvenience caused to your Honours and humbly requests for your Honours consideration of condonation of delay and oblige.

For K. R. GIRISH & ASSOCIATES

Authorized Signatory



For Jurimatrix Services India  
Private Limited

Director  
Signature of Appellant



4. On going through the above, the main contention of the assessee is that after filing the appeal before the Id. CIT(A)/NFAC against the Order of the AO passed u/s 144 r.w.s. 263 of the Act, the assessee company basis an independent advice wishes to file the present appeal before ITAT against the order issued u/s 263 of the Act as the assessee was of the view that the appeal filed before Id. CIT (A) could be construed as not been filed at the correct forum. The assessee company was informed that since the genesis of the dispute in the case on hand emanates from the order passed by the Id. PCIT u/s 263 of the Act. Therefore, all the proceedings in consequence of the order of Id. PCIT u/s 263 of the Act including assessment order served u/s 144 r.w.s. 263 of the Act cannot be challenged until and unless the proceedings u/s 263 of the Act are agitated by the assessee before the ITAT and hence the AR of the assessee submitted that there is a Bonafide and reasonable cause for the assessee company in not filing the appeal before this Tribunal within time allowed under the Act, which is evident from the fact that the company was pursuing alternate remedy available under the Act and appeared before the AO for consequential

assessment proceedings and hence it may not be treated as a case of “negligence” of the assessee.

**5.** The ld. D.R. fervently objected for condoning the substantial delay in the absence of any sufficient cause demonstrated by the assessee and prayed to dismiss the appeal in limine.

**6.** We have heard the rival submissions and perused the materials available on record.

**6.1.** It is worthwhile here to mention that u/s. 253(5) of the Act, the Tribunal may admit the appeal filed beyond the period of limitation where it is established that there exist a sufficient cause on the part of the assessee for not presenting the appeals within the prescribed time. The explanation therefore becomes relevant to determine whether the same reflects sufficient cause on the part of the assessee in not filing the appeal within the prescribed time.

**6.2** As can be seen from the above, the assessee has filed this appeal belatedly before this Tribunal as the assessee was of the view that the appeal filed before ld. CIT (A) against the consequential Order passed by the AO u/s 144 r.w.s. 263 of the Act could be construed as not been filed at the correct forum. The assessee company was informed that since the genesis of the dispute in the case on hand emanates from the order passed by the ld. PCIT u/s 263 of the Act. Therefore, all the proceedings in consequence of the order of ld. PCIT u/s 263 of the Act including assessment order served u/s 144 r.w.s. 263 of the Act cannot be challenged until and unless the proceedings u/s 263 of the Act are agitated by the assessee before the ITAT.

**6.3** At this juncture, it is pertinent to mention the judgment of the Hon’ble Supreme Court in the case of Pathapati Subba Reddy (Died) by L.Rs. & Ors. v. The Special Deputy Collector (LA) in

Special Leave Petition (Civil) No.31248 of 2018 dated 08.04.2024  
wherein it is observed as under:-

*“6. The moot question before us is whether in the facts and circumstances of the case, the High Court was justified in refusing to condone the delay in filing the proposed appeal and to dismiss it as barred by limitation.*

*7. The law of limitation is founded on public policy. It is enshrined in the legal maxim “interest reipublicae ut sit finis litium” i.e. it is for the general welfare that a period of limitation be put to litigation. The object is to put an end to every legal remedy and to have a fixed period of life for every litigation as it is futile to keep any litigation or dispute pending indefinitely. Even public policy requires that there should be an end to the litigation otherwise it would be a dichotomy if the litigation is made immortal vis-a-vis the litigating parties i.e. human beings, who are mortals.*

*8. The courts have always treated the statutes of limitation and prescription as statutes of peace and repose. They envisage that a right not exercised or the remedy not availed for a long time ceases to exist. This is one way of putting to an end to a litigation by barring the remedy rather than the right with the passage of time.*

*9. Section 3 of the Limitation Act in no uncertain terms lays down that no suit, appeal or application instituted, preferred or made after the period prescribed shall be entertained rather dismissed even though limitation has not been set up as a defence subject to the exceptions contained in Sections 4 to 24 (inclusive) of the Limitation Act.*

*10. Section 3(1) of the Limitation Act, for the sake of convenience, is reproduced herein below:*

*“3. Bar of limitation.- (1) Subject to the provisions contained in sections 4 to 24 (inclusive), every suit instituted, appeal preferred, and application made after the prescribed period shall be dismissed, although limitation has not been set up as a defence.”*

*11. Though Section 3 of the Act mentions about suit, appeal and application but since in this case we are concerned with appeal, we would hereinafter be mentioning about the appeal only in context with the limitation, it being barred by time, if at all, and if the delay in its filing is liable to be condoned.*

*12. In view of the above provision, the appeal which is preferred after the expiry of the limitation is liable to be dismissed. The use of the word ‘shall’ in the aforesaid provision connotes that the dismissal is mandatory subject to the exceptions. Section 3 of the Act is peremptory and had to be given effect to even though no objection regarding limitation is*

*taken by the other side or referred to in the pleadings. In other words, it casts an obligation upon the court to dismiss an appeal which is presented beyond limitation. This is the general law of limitation. The exceptions are carved out under Sections 4 to 24 (inclusive) of the Limitation Act but we are concerned only with the exception contained in Section 5 which empowers the courts to admit an appeal even if it is preferred after the prescribed period provided the proposed appellant gives 'sufficient cause' for not preferring the appeal within the period prescribed. In other words, the courts are conferred with discretionary powers to admit an appeal even after the expiry of the prescribed period provided the proposed appellant is able to establish 'sufficient cause' for not filing it within time. The said power to condone the delay or to admit the appeal preferred after the expiry of time is discretionary in nature and may not be exercised even if sufficient cause is shown based upon host of other factors such as negligence, failure to exercise due diligence etc.*

*13. It is very elementary and well understood that courts should not adopt an injustice-oriented approach in dealing with the applications for condonation of the delay in filing appeals and rather follow a pragmatic line to advance substantial justice.*

*14. It may also be important to point out that though on one hand, Section 5 of the Limitation Act is to be construed liberally, but on the other hand, Section 3 of the Limitation Act, being a substantive law of mandatory nature has to be interpreted in a strict sense. In *Bhag Mal alias Ram Bux and Ors. vs. Munshi (Dead) by LRs. and Ors.* 1, it has been observed that different provisions of Limitation Act may require different construction, as for example, the court exercises its power in a given case liberally in condoning the delay in filing the appeal under Section 5 of the Limitation Act, however, the same may not be true while construing Section 3 of the Limitation Act. It, therefore, follows that though liberal interpretation has to be given in construing Section 5 of the Limitation Act but not in applying Section 3 of the Limitation Act, which has to be construed strictly.*

*15. It is in the light of the public policy upon which law of limitation is based, the object behind the law of limitation and the mandatory and the directory nature of Section 3 and Section 5 of the Limitation Act that we have to examine and strike a balance between Section 3 and Section 5 of the Limitation Act in the matters of condoning the delay.*

*16. Generally, the courts have adopted a very liberal approach in construing the phrase 'sufficient cause' used in Section 5 of the Limitation Act in order to condone the delay to enable the courts to do substantial justice and to apply law in a meaningful manner which subserves the ends of justice. In *Collector, Land Acquisition, Anantnag and Ors. vs. Katiji and Ors.*, this Court in advocating the liberal approach in condoning the delay for*

*'sufficient cause' held that ordinarily a litigant does not stand to benefit by lodging an appeal late; it is not necessary to explain every day's delay in filing the appeal; and since sometimes refusal to condone delay may result in throwing out a meritorious matter, it is necessary in the interest of justice that cause of substantial justice should be allowed to prevail upon technical considerations and if the delay is not deliberate, it ought to be condoned. Notwithstanding the above, howsoever, liberal approach is adopted in condoning the delay, existence of 'sufficient cause' for not filing the appeal in time, is a condition precedent for exercising the discretionary power to condone the delay. The phrases 'liberal approach', 'justice oriented approach' and cause for the advancement of 'substantial justice' cannot be employed to defeat the law of limitation so as to allow stale matters or as a matter of fact dead matters to be revived and re-opened by taking aid of Section 5 of the Limitation Act.*

*17. It must always be borne in mind that while construing 'sufficient cause' in deciding application under Section 5 of the Act, that on the expiry of the period of limitation prescribed for filing an appeal, substantive right in favour of a decree-holder accrues and this right ought not to be lightly disturbed. The decree-holder treats the decree to be binding with the lapse of time and may proceed on such assumption creating new rights.*

*18. This Court as far back in 1962 in the case of Ramlal, Motilal And Chhotelal vs. Rewa Coalfields Ltd has emphasized that even after sufficient cause has been shown by a party for not filing an appeal within time, the said party is not entitled to the condonation of delay as excusing the delay is the discretionary jurisdiction vested with the court. The court, despite establishment of a 'sufficient cause' for various reasons, may refuse to condone the delay depending upon the bona fides of the party.*

*19. In Maqbul Ahmad and Ors. vs. Onkar Pratap Narain Singh and Ors.4, it had been held that the court cannot grant an exemption from limitation on equitable consideration or on the ground of hardship. The court has time and again repeated that when mandatory provision is not complied with and delay is not properly, satisfactorily and convincingly explained, it ought not to condone the delay on sympathetic grounds alone.*

*20. In this connection, a reference may be made to Brijesh Kumar and Ors. vs. State of Haryana and Ors.5 wherein while observing, as above, this Court further laid down that if some person has obtained a relief approaching the court just or immediately when the cause of action had arisen, other persons cannot take the benefit of the same by approaching the court at a belated stage simply on the ground of parity, equity, sympathy and compassion.*

*21. In Lanka Venkateswarlu vs. State of Andhra Pradesh & Ors.6, where the High Court, despite unsatisfactory explanation for the delay of 3703 days, had allowed the*

*applications for condonation of delay, this Court held that the High Court failed to exercise its discretion in a reasonable and objective manner. High Court should have exercised the discretion in a systematic and an informed manner. The liberal approach in considering sufficiency of cause for delay should not be allowed to override substantial law of limitation. The Court observed that the concepts such as 'liberal approach', 'justice-oriented approach' and 'substantial justice' cannot be employed to jettison the substantial law of limitation.*

*22. It has also been settled vide State of Jharkhand & Ors. vs. Ashok Kumar Chokhani & Ors. , that the merits of the case cannot be considered while dealing with the application for condonation of delay in filing the appeal.*

*23. In Basawaraj and Anr. vs. Special Land Acquisition Officer, this Court held that the discretion to condone the delay has to be exercised judiciously based upon the facts and circumstances of each case. The expression 'sufficient cause' as occurring in Section 5 of the Limitation Act cannot be liberally interpreted if negligence, inaction or lack of bona fide is writ large. It was also observed that even though limitation may harshly affect rights of the parties but it has to be applied with all its rigour as prescribed under the statute as the courts have no choice but to apply the law as it stands and they have no power to condone the delay on equitable grounds.*

*24. It would be beneficial to quote paragraph 12 of the aforesaid decision which clinches the issue of the manner in which equilibrium has to be maintained between adopting liberal approach and in implementing the statute as it stands. Paragraph 12 reads as under:*

*“12. It is a settled legal proposition that law of limitation may harshly affect a particular party but it has to be applied with all its rigour when the statute so prescribes. The Court has no power to extend the period of limitation on equitable grounds. “A result flowing from a statutory provision is never an evil. A Court has no power to ignore that provision to relieve what it considers a distress resulting from its operation.” The statutory provision may cause hardship or inconvenience to a particular party but the court has no choice but to enforce it giving full effect to the same. The legal maxim *dura lex sed lex* which means “the law is hard but it is the law”, stands attracted in such a situation. It has consistently been held that, “inconvenience is not” a decisive factor to be considered while interpreting a statute.”*

*25. This Court in the same breath in the same very decision vide paragraph 15 went on to observe as under:*

*“15. The law on the issue can be summarised to the effect that where a case has been presented in the court beyond limitation, the applicant has to explain the court as to what was the “sufficient cause” which means an adequate and enough reason which prevented him to approach the court within limitation. In case a party is found to be negligent, or for want of bona fide on his part in the facts and circumstances of the case, or found to have not acted diligently or remained inactive, there cannot be a justified ground to condone the delay. No court could be justified in condoning such an inordinate delay by imposing any condition whatsoever. The application is to be decided only within the parameters laid down by this Court in regard to the condonation of delay. In case there was no sufficient cause to prevent a litigant to approach the court on time condoning the delay without any justification, putting any condition whatsoever, amounts to passing an order in violation of the statutory provisions and it tantamounts to showing utter disregard to the legislature.”*

*(emphasis supplied)*

*26. On a harmonious consideration of the provisions of the law, as aforesaid, and the law laid down by this Court, it is evident that:*

- (i) Law of limitation is based upon public policy that there should be an end to litigation by forfeiting the right to remedy rather than the right itself;*
- (ii) A right or the remedy that has not been exercised or availed of for a long time must come to an end or cease to exist after a fixed period of time;*
- (iii) The provisions of the Limitation Act have to be construed differently, such as Section 3 has to be construed in a strict sense whereas Section 5 has to be construed liberally;*
- (iv) In order to advance substantial justice, though liberal approach, justice-oriented approach or cause of substantial justice may be kept in mind but the same cannot be used to defeat the substantial law of limitation contained in Section 3 of the Limitation Act;*
- (v) Courts are empowered to exercise discretion to condone the delay if sufficient cause had been explained, but that exercise of power is discretionary in nature and may not be exercised even if sufficient cause is established for various factors such as, where there is inordinate delay, negligence and want of due diligence;*
- (vi) Merely some persons obtained relief in similar matter, it does not mean that others are also entitled to the same benefit if the court is not satisfied with the cause shown for the delay in filing the appeal;*
- (vii) Merits of the case are not required to be considered in condoning the delay; and*

*(viii) Delay condonation application has to be decided on the parameters laid down for condoning the delay and condoning the delay for the reason that the conditions have been imposed, tantamounts to disregarding the statutory provision.”*

**6.4** We, therefore taking the support & guidance from the above observations of the Hon’ble Supreme Court in the case of Pathapati Subba Reddy (Died) by L.Rs. & Ors. v. The Special Deputy Collector (LA) (Supra), are of the unequivocal view that there was absence of “sufficient cause”, within the meaning of Section 253(5) of I.T. Act, for not presenting the appeal within period referred to in Section 253(3) of I.T. Act, leading us unhesitatingly to reject assessee’s request for condonation of delay in filing of this appeal within time prescribed U/s 253(3) of I.T. Act. In our Opinion, sufficient cause and grounds have not been made out to condone the delay and hence the application for condonation of delay is dismissed.

**7.** Further, on going through the grounds of appeal, we take a note of the fact that the all the grounds raised by the assessee in the present appeal are against the consequential order passed by the AO u/s 144 r.w.s. 263 of the Act dated 23/03/2024 & not against the Order passed by the Id. PCIT dated 30/03/2023 u/s 263 of the Act. Therefore, we are of the considered opinion that the assessee company has no grievance against the order dated 30/03/2023 passed by the Id. PCIT u/s 263 of the Act. Our opinion also gets support from the averments made by the assessee that the grounds of appeal raised before us are same as raised in the appeal filed before the Id. CIT(A)/NFAC against the Order of assessment passed u/s 144 r.w.s. 263 of the Act. Further, on going through the application for the condonation of delay, the assessee also submitted that the assessee company did not raise any grounds relating to adjustments proposed by Id. PCIT in the appeal filed before us. Therefore, on this ground alone also the appeal is liable

to be dismissed as the assessee company is not aggrieved by the Order of ld. PCIT passed u/s 263 of the Act.

**8.** In the result, appeal of the assessee is dismissed.

Order pronounced in the open court on 15<sup>th</sup> July, 2025

**Sd/-**  
**(Waseem Ahmed)**  
**Accountant Member**

**Sd/-**  
**(Keshav Dubey)**  
**Judicial Member**

Bangalore,  
Dated 15<sup>th</sup> July, 2025.  
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

**Asst. Registrar,**  
**ITAT, Bangalore.**