

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM  
AND SHRI SONJOY SARMA, JM**

**ITA No. 369/Coch/2025  
Assessment Year: 2011-12**

N.C. John & Sons Private Ltd. ..... Appellant  
16/329, N.C. John Bldgs., VCNB Raod  
Vazhicherry, Aleppey 688001  
[PAN: AABCN0264H]

vs.

DCIT, Circle-1, Alappuzha ..... Respondent

Appellant by: Shri Kirshnakumar A, CA  
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 04.06.2025  
Date of Pronouncement: 30.06.2025

**ORDER**

**Per: Inturi Rama Rao, AM**

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 17.03.2025 for Assessment Year (AY) 2011-12.

2. Brief facts of the case are that the appellant is a company incorporated under the provisions of Companies Act, 1956. The assessment was completed by the DCIT, Ward-1, Alappuzha (hereinafter called "the AO") vide order dated 17.03.2014 passed

u/s. 143(3) of the Income Tax Act, 1961 (the Act) at a total income of Rs. 2,60,87,040/-.

3. Being aggrieved, aggrieved by the addition made in the assessment order an appeal was filed before the CIT(A), who vide order dated 06.04.2016 partly allowed the appeal. The AO passed the consequential order giving effect to the CIT(A)'s order on 26.04.2016 reducing the taxable income to Rs. 18,78,0,302/-. Subsequently, the AO issued a notice u/s. 154 of the Act dated 17.01.2019 proposing to amend the consequential order passed to give effect to the CIT(A)'s order passed on 06.04.2016 on the ground that MAT credit available for set off was Rs. 3.5 lakhs only as against Rs. 17.38 lakhs allowed as per assessment record for AY 2010-11. In response to the notice u/s. 154 of the Act the appellant had pleaded ignorance of any mistake in the set off of MAT credit. In the circumstance, the AO, vide order dated 12.02.2019 passed u/s. 154 of the Act disallowed MAT credit of Rs. 13.81 lakhs.

4. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal including the grounds challenging the limitation.

5. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

6. The learned counsel for the assessee submitted that the AO sought to revise the order giving effect to CIT(A)'s order which is a

blatant mistake as the issue of MAT credit was not subject matter of the CIT(A)'s order. The MAT credit was allowed in the assessment order framed u/s. 143(3) which was passed on 17.03.2014 and, therefore, the limitation period for issue of notice u/s. 154 should be reckoned from 17.03.2014. If so computed the notice u/s. 154 is barred by limitation. Thus, he submits that the proceedings u/s. 154 initiated by the AO are barred by limitation.

7. On the other hand, the learned Sr. DR submits that the order passed by the CIT(A) is well reasoned and, therefore, no interference is called for.

8. We have heard the rival contentions and perused the material available on record. The issue that arises for our determination is whether the order passed u/s. 154 of the Act is barred by limitation. The AO sought to rectify the order giving effect to CIT(A)'s order by reducing the amount of MAT credit available for set off against the current demand. However, we notice that the MAT credit was not a subject matter of appeal before the CIT(A). The MAT credit was allowed in the assessment order passed u/s. 143(3) on 17.03.2014. Therefore, the period of limitation would commence from the date of original assessment order. The AO can only seek to rectify the assessment order within a period of 31.03.2018 whereas the present notice u/s. 154 was issued on 17.01.2019, which is clearly barred by limitation. Hence, the rectification proceedings initiated by the AO is bad in law.

9. In the result, the appeal filed by the assessee stands allowed.

Order pronounced in the open court on 30<sup>th</sup> June, 2025.

Sd/-  
**(SONJOY SARMA)**  
**JUDICIAL MEMBER**

Sd/-  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 30<sup>th</sup> June, 2025

n.p.

Copy to:

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

By Order

Assistant Registrar  
ITAT, Cochin