

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'B': NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
and  
SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER**

**ITA No.4333/DEL/2024  
(Assessment Year : 2021-22)**

Coforge Limited,  
8, Balaji Estate, 3<sup>rd</sup> Floor,  
Guru Ravi Das Marg, Kalkaji,  
New Delhi – 110 019.

vs.

DCIT, Circle 4 (2),  
Delhi.

**(PAN : AAACN0332P)**

**ITA No.4659/DEL/2024  
(Assessment Year : 2021-22)**

DCIT, Circle 4 (2),  
Delhi.

vs.

Coforge Limited,  
8, Balaji Estate, 3<sup>rd</sup> Floor,  
Guru Ravi Das Marg, Kalkaji,  
New Delhi – 110 019.

**(PAN : AAACN0332P)**

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Rohit Jain, Advocate  
Ms. Somya Jain, CA

REVENUE BY : Ms. Pooja Swaroop, CIT DR

Date of Hearing : 03.07.2025

Date of Order : 30.09.2025

**ORDER**

**PER S.RIFAUR RAHMAN, ACCOUNTANT MEMBER :**

1. These cross appeals are filed by the assessee and Revenue against the order of Id. Addl/JCIT, Madurai ["Id. JCIT(A)", for short] dated 06.08.2024 for Assessment Year 2021-22.
2. Since the issues are common and the appeals are connected, hence the same are heard together and being disposed off by this common order.
3. Brief facts of the case are, assessee is a public sector limited listed company engaged in the business of offering global IT solutions. Assessee filed its return of income for AY 2021-22 declaring an income of Rs.99,75,29,520/- under normal provisions and claimed a refund of Rs.9,40,68,840/-. A notice dated 04.07.2022 was issued to the assessee proposing adjustment in terms of First Proviso to section 143(1)(a) of the Income-tax Act, 1961 (for short 'the Act') and the assessee filed its response. The intimation order passed u/s 143(1) dated 17.10.2022 was passed by making an adjustment relating to disallowance u/s 80M and addition of GST refund on account of mis-match reported in the tax audit report.
4. Aggrieved with the above order, assessee preferred an appeal before the Id. Addl/JCIT(A), Madurai and separate grounds were raised as well as detailed submissions were submitted in the form of written submissions which are reproduced at pages 5 to 16 of the appellate order. After considering the detailed submissions of the assessee, Id. CIT (A) not adjudicated the issue

raised by the assessee on intimation passed u/s 143(1) of the Act which is bad in law and *void ab initio* for the reason that additions made by the Assessing Officer are debatable. However, he proceeded to give partial relief on the issue of GST mis-match.

5. Aggrieved with the above order, both assessee as well as Revenue are in appeal before us.
6. At the time of hearing, ld. AR of the assessee raised the issue of jurisdiction that the additions proposed by the Assessing Officer u/s 143(1) is beyond its jurisdiction and also computed the assessment without considering the objections made by the assessee on the provisions of section 143(1)(a) of the Act.
7. First let us deal with the issue raised by the assessee on the provisions of section 143(1) of the Act. At the time of hearing, ld. AR submitted that the scope of adjustments permissible under section 143(1) of the Act, it is respectfully submitted, is restricted only to processing of the return to determine the total income/ loss after making certain "adjustments" as specified in sub-clauses (i) to (vi) thereto. He submitted that in the present case, the adjustments under dispute, being (i) disallowance of deduction claimed under section 80M; and (ii) addition of GST refund on account of mis-match in ITR vis-a-vis TAR, it is respectfully submitted, do not fall

within any of the sub-clause/permissible adjustments specified under section 143(1)(a) of the Act as demonstrated under:

Error/condition specified in sub-clauses to section 143(1)(a)	Disallowance u/s 80M	Addition for GST refund
(i) Arithmetical errors	Adjustment not on account of arithmetical error	Adjustment not on account of arithmetical error
(ii) Incorrect claim apparent from the information furnished in the return	No incorrect claim as been made in the return	No correct claim as been made in the return
(iii) Disallowance of loss claimed despite return being filed belatedly	Return filed within time allowed u/s 139(1) – Not applicable	Return filed within time allowed u/s 139(1) – Not applicable
(iv) disallowance of expenditure indicated in audit report	Not applicable	Not applicable
(v) disallowance of certain tax deductions even though return filed belatedly	Return filed within time allowed u/s 139(1) – Not applicable	Return filed within time allowed u/s 139(1) – Not applicable
(vi) mismatch of income as per Form 26AS for Form 16A	Not applicable for year under consideration [refer 3 <sup>rd</sup> proviso to section 143(1)(a)]	

8. Ld. AR further submitted that it will thus be appreciated that both the adjustments under consideration in the present appeal do not fall within the scope of adjustments permissible under section 143(1)(a) of the Act. and in view of the aforesaid and without anything further, the intimation dated 17.10.20 2 seeking to make adjustments to the income of the appellant, being beyond the scope of permissible adjustments, is illegal and bad-in-law and calls for the quashed. He further submitted that strictly without prejudice to

the aforesaid, the aforesaid adjustments, even otherwise, are not sustainable for the following reasons:

(a) The adjustment under section 80M of the Act has been made without assigning any reason! specifying the rationale behind making such adjustment, let alone specifying the clause under which such adjustment has been made;

(b) The intimation has been issued without considering the reply dated 05.07.2022 filed by the appellant in response to the draft intimation issued under section 143(1)(a) which is in violation of the provisions of section 143(1) as well as principles of natural justice and fair play;

(c) The adjustments, even otherwise, have been made on debatable issues which cannot, by any stretch of argument, be subject matter of adjustment under section 143(1)(a) of the Act inasmuch as if debatable issue were treated to be covered by section 143(1)(a), the same would be contrary to the scheme of the Act.

It is trite law that the scope of adjustments while processing the return under section 143(1) of the Act, is restricted to arithmetical errors, if any, and/ or an incorrect claim apparent from any information in the return, and not otherwise [refer *Kvaverner John Brown Engg(India) P. Ltd. v. ACIT*: [2008] 170 Taxman 304 (SC) , *Easter Industries Ltd v. Union of India*: 349 ITR 324 (Del HC), *Mintri Tea Co. (P.) Ltd v. CIT*: 223 CTR 241 (Cal. He), *Raj Kumar Botha vs. DCIT*: TAXC No. 5612025 (Cht HC)]

9. He submitted that for the reasons cumulatively discussed supra, the impugned intimation dated 17.10.2022 issued under section 143(1) of the Act is without jurisdiction, having been passed in blatant violation of principles of natural justice and calls for being quashed as illegal.
10. On the other hand, Id. DR of the Revenue submitted that the issue raised by the assessee relating to intimation passed u/s 143(1), submitted that the regular assessment was completed u/s 143(3) and assessee should have raised this issue before the Assessing Officer. He submitted that Id. JCIT (A) has

rightly dismissed this ground. Further he submitted that Id. CIT (A) has given relief to the assessee without collecting the information from the lower authorities, therefore, these issues cannot be raised against the order passed u/s 143(1) particularly when regular assessment u/s 143(3) was already completed. He relied on the order passed u/s 143(3) of the Act.

11. Considered the rival submissions and material placed on record. We observe that intimation u/s 143(1) was passed by proposing two disallowances relating to claim of deduction u/s 80M and mis-match of refund of GST as reported in tax audit report. We observe that assessee has already filed an objection against the above proposed disallowances. However, AO has not considered the same nor given any opportunity to the assessee before passing the above intimation order. Further we observe that the proposed additions are not falling in any of the clauses mentioned u/s 143(1)(a) of the Act. Therefore, proposing any addition which is outside the provisions of section 143(1)(a) is bad in law and outside the jurisdiction of provisions of section 143(1)(a) of the Act. It is settled position of law under section 143(1) of the Act that it is restricted to arithmetical errors or an incorrect claim apparent from the record and not otherwise. The debatable issues are outside the purview of section 143(1)(a) of the Act. We observe that similar issue was considered by Hon'ble Delhi High Court in the case of Easter Industries Ltd. vs. UOI (supra) wherein it is held as under :-

“ The Assessing Officer under section 143(1)(1) of the Income-tax Act, 1961, in the assessee’s return of income for the assessment year 1989-90, made three adjustments in respect of scientific research expenses of Rs.82,310, club payments Rs.2,577 and under section 43B Rs.16,69,470, totaling Rs.17,54,357. On a writ petition challenging the three adjustments :

Held, allowing the petition, that with regard to the first two adjustments, that were not prima facie adjustments which could have been made by the Assessing Officer in exercise of his power under Section 143(1)(a) of the Act. No power was given to the Income-tax Officer to disallow a claim for the reason that there was no proof in support of the claim made by the assessee. Only where it is evident from the return as filed, along with the documents in support thereof, that a claim of the assessee was inadmissible, can an adjustment under the proviso be made. If proof in support of the claim was not furnished by an assessee, then for the lack of proof, no dis-allowance or an adjustment could be made. The only option which was open to the Income-tax Officer, in such a case, was to require the assessee to furnish proof in which case he would have to issue notice under section 143(2). Adjustment could be made only if there was information available in such return, that prima facie a claim or allowance was inadmissible. With regard to the third adjustment, the assessee had filed along with the return details of statutory dues as on March 31, 1989. The assessee had also filed details of payments made thereafter from April 1, 1989, till the date of filing of the return on December 28, 1989. The assessee had given details of payments made to the provident fund trust and also the sales tax dues in the form of a chart. The total amount worked out to Rs.16,69,470/-. The addition under section 43B was not justified and could not be sustained. Therefore, the order under section 143(1)(a) was to be set aside.”

12. Respectfully following the above decision, we are inclined to allow Ground No.1 raised by the assessee that the impugned intimation dated 17.10.2022 passed u/s 143(1) of the Act is without jurisdiction. Accordingly, the same is quashed and the appeal filed by the assessee is allowed.

13. In the result, the appeal filed by the assessee being ITA No.4333/Del/2024 is allowed.
14. Since we have already quashed the intimation passed u/s 143(1) of the Act, the appeal filed by the Revenue being ITA No.4659/Del/2024 also deserves to be dismissed.
15. To sup up : the appeal filed by the assessee is allowed and the appeal filed by the Revenue is dismissed.

**Order pronounced in the open court on this 30<sup>th</sup> day of September, 2025.**

**Sd/-  
(SATBEER SINGH GODARA)  
JUDICIAL MEMBER**

**sd/-  
(S. RIFAUR RAHMAN)  
ACCOUNTANT MEMBER**

**Dated: 30.09.2025  
TS**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals).
5. DR: ITAT

**ASSISTANT REGISTRAR  
ITAT, NEW DELHI**