

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI**

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री एस.आर.रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT AND
SHRI S.R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपीलसं./ITA No.2497/CHNY/2025

निर्धारण वर्ष / Assessment Year: 2018-19

Madras Diocesan Council Employees Provident Fund, No-226, The Diocesan Office, Cathedral Road, Nungambakkam, Chennai – 600 086. Tamil Nadu.	vs.	The Income Tax Officer, Non-Corp Circle-3(1), Chennai.
[PAN: AAATM-7003-K] (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Ms. T.V. Muthu Abirami, Advocate
प्रत्यर्थी की ओर से /Respondent by : Ms. Gouthami Manivasagam, J.C.I.T.

सुनवाई की तारीख/Date of Hearing : 18.11.2025
घोषणा की तारीख /Date of Pronouncement : 02.12.2025

आदेश / O R D E R

PER S.R.RAGHUNATHA, AM:

This appeal by the assessee is arising out of the order dated 02.07.2025, passed by the Learned Commissioner of Income Tax (Appeal), NFAC, Delhi (in short "ld.CIT(A)") for the assessment year (A.Y) 2018-19 against the order u/s.144 r.w.s 144B of the Income Tax Act, 1961 (hereinafter the 'Act') passed by the AO dated 26.05.2021.

2. Brief facts of the case are that the assessee is a trust formed for the purpose of managing the Provident Fund and has filed its return of income on 31.10.2018 for A.Y.2018-19, declaring total income of 'Nil' and processed u/s.143(1) on 18.03.2020 by arriving at a total income of Rs.72,14,830/- raising refund of Rs.10,38,345/-. The case was selected for 'Complete Scrutiny' under CASS to verify Form 10B filing compliance and statutory notices were issued to the assessee to furnish the trust deed and state in detail the nature of activity carried out during F.Y.2017-18 and provide the details of bank accounts held by the trust. The assessee did not participate in the assessment proceedings. On verification of the Schedule-AI and Part B-TI of the ITR, the Assessing Officer found that the assessee had received income from other sources of Rs.1,09,05,220/- and had claimed exemption u/s.10(25)(ii) of the Act. Further, the Assessing Officer observed that the assessee failed to submit audit report in Form 10B for the A.Y.2018-19 along with Return of Income under Rule 17B of the Income Tax Rules, hence the assessee was not eligible for any exemption. Therefore, the Assessing Officer denied the claim of exemption of Rs.1,09,05,220/- for the A.Y. 2018-19 and made an addition of Rs.1,09,05,220/- treated as total assessed income and passed an order u/s.144 r.w.s 144B of the Act dated 26.05.2021.

3. Aggrieved by the order of the AO, the assessee preferred an appeal before the Id.CIT(A), NFAC, Delhi on 05.05.2025 with a delay in filing the appeal.

4. At the outset, we observed that Id.CIT(A) dismissed the appeal filed by the assessee in limine due to an inordinate delay of 1161 days from 01.03.2022 to 05.05.2025 excluding COVID-19 pandemic period. Aggrieved by the impugned order of the Ld.CIT(A), the assessee is in appeal before us.

5. The Id.AR submitted that the email in which the notices were delivered was inactive and the assessee was unaware of the proceedings till the copy of the order was delivered. Hence, the appeal was not prosecuted before the Id.CIT(A) within the time limit due to unprecedented disruption caused by the COVID-19 pandemic and significant change in the top management of trust and changes of Chartered

Accountant appointed for auditing and advisory services and administrative personnel of the trust were not having knowledge of tax compliances, even the assessment order was passed exparte u/s.144 of the Act by the AO. Therefore, Id.AR prayed for one more opportunity to be provided to the assessee to represent his case before the AO in the interest of natural justice. Further, the Id.AR assured the bench that he will undertake to represent on behalf of the assessee before the AO, in case one more opportunity is provided.

6. Per contra, the Id.DR submitted that both the Assessing Officer and the Id.CIT(A) provided sufficient opportunity to appear before them. However, the assessee has been negligent in responding to the statutory notices and hence, prayed for confirming the order of the Id.CIT(A).

7. We have heard the rival parties and perused the material available on record and gone through the orders of the lower authorities. We note that the Assessing Officer has passed an exparte order by considering the information available with the department and the same has been dismissed by the Id.CIT(A), NFAC, Delhi due to the assessee failing to furnish the documentary evidence to delay in filing of appeal file. The assessee failed to file an appeal before the Id.CIT(A) within the time limit due to bona fide reasons beyond the control of the assessee, including significant change in the top management and Chartered Accountant. We note that the AO has passed an order by making an addition of Rs.1,09,05,220/- as total income of the assessee based on material available on records and the same has been upheld by the Id.CIT(A)-NFAC due to non-participation of the assessee before the Assessing Officer as well as the first appellate authority. Since the assessee has failed to participate both before the Assessing Officer as well as the appellate authority, we levy the cost of Rs.50,000/- to be paid to State Legal Aid Authority, Hon'ble High Court of Madras and produce proof of payment of cost to the Registry within 30 days from the date of receipt of this order.

8. Therefore, in the present facts and circumstances of the case and to meet the ends of justice, we deem it fit to provide one more opportunity for the assessee.

Therefore, we condone the delay in filing the appeal before Id.CIT(A) as the assessee had filed the condonation of delay in his form 35 itself and hence, we set aside the order of Id.CIT(A) and remit the matter back to the file of AO and direct the AO to de novo frame the assessment order in accordance to law, after providing reasonable opportunity to the assessee. Needless to say, the assessee to be diligent and file written submissions and relevant documents if advised so.

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

Order pronounced in the open court on 02nd December, 2025 at Chennai.

Sd/-
(जॉर्ज जॉर्ज के)
(GEORGE GEORGE K)
उपाध्यक्ष /**VICE PRESIDENT**

Sd/-
(एस. आर. रघुनाथा)
(S. R. RAGHUNATHA)
लेखा सदस्य/**ACCOUNTANT MEMBER**

चेन्नई Chennai:

दिनांक Dated : 02nd December 2025

sp

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT– Chennai/Coimbatore/Madurai/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF