

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR**

(PHYSICAL COURT)

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER
AND SH. UDAYAN DASGUPTA, JUDICIAL MEMBER**

I.T.A. No. 706/Asr/2024
Assessment Year: 2020-21

Sangam Traders,
Kothi No. 60, Golden Avenue,
Near Income Tax Office, Saili
Road, Pathankot-145001, Punjab
[PAN: ADXFS 2327L]

(Appellant)

Vs.

Income Tax Officer,
Ward-1, Pathankot
Aayakar Bhawan, Saili Road,
Pathankot-145001, Punjab

(Respondent)

Appellant by : Sh. P. N. Arora, Adv.
Respondent by : Sh. Arvind Kumar, CIT-D. R.
Date of Hearing : 20.01.2026
Date of Pronouncement : 22.01.2026

ORDER

Per Udayan Dasgupta, J.M.:

This appeal is filed by the assessee against the order of the Id. CIT (A) NFAC, Delhi dated 28.11.2024 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the AO, (Assessment Unit) passed u/s 144 r.w.s. 144B of the Act, 1961 dated 20.09.2022.

2. The assessee has taken 8 (eight) grounds of appeal in Form No. 36 challenging the addition of *Rs. 10.76 crores* u/s 144 of the Act and sustained and in first appeal, the main grievance of the assessee is that the ld. first appellate authority has dismissed the appeal without admitting the same for adjudication on merits of the case, on the grounds that the appeal has been filed belatedly by *209 days* and dismissing the same in *limine* without allowing any opportunity to explain the delay before rejection.

3. Brief facts emerging from the records are that the assessee is engaged in liquor business and has declared total income of *Rs.2,05,410/-* in regular return which is selected for scrutiny under CASS. In course of scrutiny assessment proceedings, in absence of any response from the assessee to various notices issued by the AO the assessment has been completed ex-parte on a total income of *Rs.10.78 crores (with additions on various issues including disallowance of direct and indirect expenses, and addition u/s 68 and 69A, on account of unsecured loans, unexplained cash deposits and capital introduction, etc.)*.

4. The matter carried in appeal before the ld. first appellate authority has been dismissed by the ld. CIT(A) without admitting the appeal for adjudication on merits due to the reasons that the appeal has been belatedly filed by *209 (two hundred nine)* days. The reasons stated by the assessee in Form No. 35 for delayed filing of the appeal

was not found to be satisfactory and as such, the delay has not been condoned and the appeal has been dismissed as per provisions of section 249(3) of the Act.

5. Before the Tribunal, the Id. AR of the assessee submitted that it was incumbent on the part of the Id. first appellate authority to provide an opportunity of hearing to the assessee to explain the reasons for the delay before refusing to admit the appeal, which has not been done in this case. He further submitted that the appellate authority should have examined whether sufficient cause exists or has been shown by the party for condoning the delay because the context of condonation of delay should be given a liberal interpretation so as to render substantial justice. He further submitted that the assessee met with an accident on 7th Aug., 2022 and was advised complete bed rest for a period of three months, (in support of which he has furnished documentary evidences of *Sukh Sadan Hospital & Traumsa Centre Pvt. Ltd.*, Dalhousi Road, Pathankot along with other medical documents).

6. He submitted that the Id. CIT(A) before refusing to admit the appeal for delay in filing the same should have allowed an opportunity of hearing to the assessee to explain the reasons for the delay and since the assessee was prevented by sufficient cause on medical grounds in filing the appeal, the delay of 209 (*two hundred nine*) days in filing the appeal should be condoned and the appeal should be admitted for hearing on merits.

7. The Id. DR relied on the order of the Id. CIT(A). However, considering the medical certificates produced, he has no objection if the matter is remanded back to the Id. first appellate authority for adjudication on merits.

8. We have heard the rival submissions and considered the materials on record and we find that the Id. first appellate authority was not legally justified in refusing to admit the appeal for adjudication on merits without giving an opportunity to the assessee to explain the reasons for the delay and to prove his case with supporting documentary evidences.

9. As such, in the interest of justice, we remand the matter back to the files of the Id. first appellate authority to allow the assessee an opportunity to explain the reasons for the delay in filing the appeal and if sufficient cause is shown to exist, the appeal may be admitted and adjudicated upon on the grounds contained in Form No. 35, on merits of the case.

10. We also direct the assessee to file the necessary documentary evidences and submissions explaining the delay and to fully cooperate in the appellate proceedings.

11. We have not expressed any opinion on merits of the case and all issues are left open.

12. In the result, the appeal of the assessee is allowed for statistical purpose.

Order pronounced in the open court as on 22.01.2026

Sd/-
(Manoj Kumar Aggarwal)
Accountant Member

Sd/-
(Udayan Dasgupta)
Judicial Member

GP/Sr.PS

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T

True Copy
By Order