

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "G", MUMBAI

BEFORE SHRI NARENDRA KUMAR BILLAIYA, ACCOUNT MEMBER AND
SHRI ANIKESH BANERJEE, JUDICIAL MEMBER

ITA No.1133/Mum/2025
(Assessment Year: 2021-22)

JCIT(OSD) I/C. to DCIT Circle- 1(3)(1), Mumbai Room No.540, 5 th Floor, Aayakar Bhavan, M.K. Road, Mumbai-400 020	vs	Garware Hi-Tech Films Limited 50A, Garware House, Swami Nityanand Marg, Vile Parle (East) S.O. Mumbai-400 057
APPELLANT		RESPONDENT

Assessee by : Shri Dalpat Shah
Respondent by : Shri Arun Kanti Datta - CIT DR

Date of hearing : 17/07/2025
Date of pronouncement : 21/07/2025

ORDER

Per Anikesh Banerjee (JM):

The instant appeal of the revenue was filed against the order of the Learned Commissioner of Income-tax / Addl / JCIT (A)-1, Chennai [hereinafter called, 'Ld. CIT(A)'] passed under section 250 of the Income-tax Act, 1961 (in short, 'the Act') for Assessment Year 2021-22, date of order 17/12/2024. The impugned order emanated from the order of the CPC, Bengaluru, passed under section 143(1) of the Act, date of order 13/11/2022.

2. The revenue has taken the following ground of appeal: -

"On the facts and circumstances of the case and in law the Ld.CIT(A) erred in allow the Mat Credit of Rs. 29,94,40,364/- however the assessee has claimed MAT Credit of Rs. 29,17,19,510/- in ITR, the appellant has time to file revised return, condonation of delay to revised Mat Credit claim of Rs. 29,94,40,364/-."

3. The brief facts of the case are that the assessee filed the return of income under section 139(1) of the Act and the return was processed under section 143(1) of the Act by confirming the additions on research and development expenditure under section 35(1)(i) of the Act amounting to Rs.1,06,40,000/- and under section 41 of the Act amount to Rs.1,14,54,951/-. The aggrieved assessee filed an appeal before the Ld. CIT(A) by challenging both the additions as well as the short MAT credit under section 115JAA of the Act. The Ld.CIT(A) allowed the appeal of the assessee and deleted the addition and directed the Ld.AO to adjust the MAT credit in the re-computation on giving effect to appellate order. Being aggrieved on the appeal order, the revenue challenged the adjustment of MAT credit directed by the Ld.CIT(A) and filed the present appeal.

4. We have heard both the parties and perused the material available on record. It is observed that the assessee company filed its return of income and paid tax under the regular provisions of the Income-tax Act, after claiming set-off of brought forward Minimum Alternate Tax (MAT) credit under section 115JAA amounting to Rs.29,17,19,506/-. The Ld. AO, while processing the return under section 143(1) of the Act, made additions under two separate heads and computed the tax liability after allowing set-off of MAT credit of Rs.29,17,19,506/-, as claimed by the assessee in its return of income. However, the fact remains that the assessee

was actually eligible for MAT credit to the extent of Rs.29,94,40,364/-, out of the total brought forward MAT credit of Rs.37,83,32,363/-.

The assessee raised this issue before the Ld. CIT(A), and in the appellate proceedings, both additions were deleted. The Ld. CIT(A) also directed the Ld. AO to recompute the MAT credit and allow the correct set-off in the Order Giving Effect (OGE) to the appellate order.

The revenue has challenged the order of the Ld. CIT(A) only with respect to the MAT credit computation. However, it is evident that the said adjustment is purely consequential in nature, arising from the deletion of additions in appeal. Notably, the revenue has not contested the deletion of additions made under sections 35(1) and 41 of the Act in its grounds of appeal.

Further, the Ld. DR did not raise any substantial objection to the observations of the Bench.

In view of the above, we find no infirmity in the order of the Ld. CIT(A). Accordingly, the appeal filed by the Revenue is dismissed.

5. In the result, the appeal of the revenue bearing **ITA No.1133/Mum/2025** is dismissed.

Order pronounced in the open court on 21st day of July, 2025.

Sd/-

sd/-

(NARENDRA KUMAR BILLAIYA)
ACCOUNTANT MEMBER

(ANIKESH BANERJEE)
JUDICIAL MEMBER

Mumbai, दिनांक/Dated: 21/07/2025

Pavanan

Copy of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकर आयुक्त CIT
4. विभागीय प्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT,
Mumbai
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Asstt. Registrar), **ITAT, Mumbai**