

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

श्री महावीर सिंह, उपाध्यक्ष एवं श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: 499/CHNY/2023

निर्धारण वर्ष/Assessment Year: 2019-20

CSV Investments Pvt. Ltd.,
Old No.313, New No.455.
Block No.75, 7th Floor,
Anna Salai, Teynampet,
Chennai – 600 018.

The Income Tax Officer,
Vs. Non-Corporate Ward 1(3),
Chennai.

PAN: AAGCC 0390N

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri D. Anand, Advocate

प्रत्यर्थी की ओर से/Respondent by

: Shri P. Sajit Kumar, JCIT

सुनवाई की तारीख/Date of Hearing

: 31.01.2024

घोषणा की तारीख/Date of Pronouncement

: 31.01.2024

आदेश /ORDER

PER MAHAVIR SINGH, VICE PRESIDENT:

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi in order No.ITBA/NFAC/S/250/2022-23/1050224926(1) dated 28.02.2023. The return of income was processed and intimation u/s.143(1) of the Income Tax Act, 1961

(hereinafter the 'Act') was issued by the DCIT, CPC Bangalore for the assessment year 2019-20 vide order dated 08.05.2020.

2. The only issue in this appeal of assessee is against the order of CIT(A) disallowing salaries paid to the Directors amounting to Rs.22,32,000/- without deduction of TDS by invoking the provisions of section 40(a)(ia) of the Act.

3. Brief facts are that the assessee has paid salary to its directors to the tune of Rs.22,32,000/- without deduction of TDS. The CPC, Bangalore vide intimation u/s.143(1) of the Act, disallowed this salary of Rs.22.32 lakhs paid to its Directors without deduction of TDS. Aggrieved, assessee preferred appeal before CIT(A). But the CIT(A) dismissed the assessee's appeal on the ground, by holding that the CIT(A) has no authority under notification No.11/2016 to accept Form No.26A of the Act. The assessee claimed before CIT(A) that the Director included the salaries paid by the assessee in his return and paid taxes and for this, assessee requested the CIT(A) to permit it to file Form No.26A certified from an accountant under sub-rule of 31ACB of the Rules to give effect for rectification as the salary was paid to directors and accountant without deduction of TDS but the directors and the accountant have filed their income tax return and taxes have been paid by them.

4. We have gone through the order of CIT(A) and when it was confronted to Id. Senior DR, he only requested that let the assessee upload the Form 26A of the director and the accountant in the system before CPC, to whom the assessee has paid salary without deduction of TDS, has included the income in their respective return of income and paid taxes and assessee has obtained Form 26A certified from a Chartered Accountant under sub-rule 31ACB of the Act, nothing is left without verification, hence this is allowable salary. But the certificate can be verified by the AO. Hence, we remand this matter to the file of the AO for limited verification purpose and accordingly, the appeal of the assessee is allowed for statistical purposes.

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

Order pronounced in the open court on 31st January, 2024 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य/ACCOUNTANT MEMBER

Sd/-

(महावीर सिंह)

(MAHAVIR SINGH)

उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,

दिनांक/Dated, the 31st January, 2024

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant

2. प्रत्यर्थी/Respondent

3. आयकर आयुक्त /CIT

4. विभागीय प्रतिनिधि/DR

5. गार्ड फाईल/GF.