

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: CHENNAI

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष
BEFORE SHRI ABY T VARKEY, JUDICIAL MEMBER AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.3/Chny/2025
Assessment Years: 2014-15

Trident Coatings Private Limited,
No.1/590, GST Road,
Vandalur,
Tamil Nadu-600 048..
[PAN: AACCT3000A]

Assistant Commissioner of
Income Tax,
Corporate Circle-3(1),
Chennai

(अपीलार्थी/Appellant)

अपीलार्थी की ओर से/ Assessee by
प्रत्यर्थी की ओर से /Revenue by

(प्रत्यर्थी/Respondent)

: S/Shri S.Sridhar & G.Tarun Advocates.
: Shri N.Rajakumar, Addl.CIT

सुनवाई की तारीख/Date of Hearing : 15.05.2025
घोषणा की तारीख /Date of Pronouncement : 30.05.2025

आदेश / O R D E R

PER AMITABH SHUKLA, A.M. :

This appeal is filed by the assessee against the ITA No.204/2016-17 dated 29.06.2018 of the Leaned Commissioner of Income Tax, (herein after "CIT(A), Chennai for the assessment year 2014-15.

2.0 It has been noted that there is a delay of 2315 days in the case, in filing of this appeal before the tribunal. In its affidavit the assessee has pleaded that the assessee has committed the delay on account of multiple external factors beyond its control. Thus, it was argued that part of the

delay was attributed to Covid-19 and another major part on account of misrepresentation by erstwhile Chartered Accountant, Smt.S.Vidya. All these activities contributed to the delay which was neither willful nor wanton. The assessee submitted that there will not be case of any non-compliance now. We have considered the justification put forth by the assessee and we are satisfied with their adequacy. We are also conscious of the fact that no litigant gains by intentionally delaying its own matters. The Ld. DR submitted that in the event of condonation of delay, cost be imposed upon the assessee for wasting the precious time of the court. Accordingly, we hereby condone the delay and proceed to adjudicate this appeal.

3.0 The only issue contested by the appellant assessee through its grounds of appeal is regarding an addition of Rs.51,12,839/- made by the Ld.AO u/s 40(a)(ia) of the Income Tax Act. The Ld. Counsel for the assessee has submitted that out of the above disallowance amounts concerning director's remuneration and salary do not call for any disallowance within the meanings of section 40(a)(ia) per se. The disallowance for salary was reported to have been brought upon statute w.e.f AY-2015-16 and hence not applicable to this year. As regards rent It was stated that since the payee had paid the tax on his rental income the disallowance was unwarranted. It was also submitted that the Ld.AO

and Ld.CIT(A) have passed non-speaking orders without any application of mind. It was accordingly requested that the matter may be considered for remission to Ld.AO for verifying the nature of payments and to allow those which are eligible.

4.0 Per contra, the Ld. DR relied upon the order of lower authorities

5.0 We have heard rival submissions in the light of material available on records. We have observed from the order of both the Ld.AO as well as the Ld.CIT(A) that both the authorities have passed totally cryptic , one liner orders without any discussion on the merits. We have also noted that disallowances have been made u/s. 40(a)(ia) of the Act upon items which are not prohibited u/s 40 of the Act. We are therefore convinced that the matter deserves reconsideration by the Ld.AO. Accordingly, we set aside the order of the lower authorities and direct the Ld.AO to adjudicate the matter de novo after giving due opportunity of being heard to the assessee. The assessee shall be required to be comply with all the statutory notices issued by the Ld.AO. Any non-compliance shall be adversely viewed. This adjudication is however subject to the assessee paying a cost of Rs.10,000/- (ten thousand only) to be deposited into the Prime Minister Relief Fund within one month from the date of this order. A copy thereof shall be submitted in the office of

the Ld.AO. **All the grounds of appeal raised by the assessee are therefore allowed for statistical purposes.**

6.0 In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced on 30th , May -2025 at Chennai.

Sd/-

(एबी टी. वर्की)

(ABY T VARKEY)

न्यायिक सदस्य / Judicial Member

Sd/-

(अमिताभ शुक्ला)

(AMITABH SHUKLA)

लेखा सदस्य /Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 30th , May -2025.

KB/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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