

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 807/Coch/2025
Assessment Year: 2006-07**

GTN Textiles Limited Appellant
61/464, 6th Flor, Palal Towers, M.G. Road
Ravipuram, Ernakulam 682016
[PAN: AACCG3925B]

vs.

DCIT, Corporate Circle -1(1), Kochi Respondent

Assessee by: Shri Kacks Joby, Advocate
Revenue by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 06.11.2025
Date of Pronouncement: 21.11.2025

ORDER

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 07.08.2025 for Assessment Year (AY) 2006-07.

2. Brief facts of the case are that the appellant is a company incorporated under the provisions of Companies Act, 1956. It is engaged in the business of manufacture and sale of cotton yarn. The return of income for AY 2006-07 was filed on 27.11.2006 declaring Nil income after adjusting unabsorbed depreciation. Against the said return of income, the assessment was completed by the ACIT, Aluva (hereinafter called "the AO") vide order dated 29.12.2008 passed

u/s. 143(3) r.w.s. 115WE(3) of the Income Tax Act, 1961 (the Act) at Nil income after setting off of unabsorbed depreciation of Rs. 74,39,500/-. While doing so, the AO made disallowance of Rs. 81,59,000/- u/s. 14A of the Act and also disallowed a sum of Rs. 3,00,000/- out of miscellaneous expenditure. The AO also brought to tax the interest on income tax refund of Rs. 17,88,911/-.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal of the assessee on the ground that in Form 35 the assessment year was wrongly mentioned as AY 2005-06 instead of AY 2006-07. Therefore, he dismissed the appeal without giving an opportunity to cure the defect.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

5. I heard the rival contentions and perused the material available on record. At the outset, I found that the NFAC dismissed the appeal in limine on the ground that Form 35 is defective as the assessment year was mentioned as 2005-06 as against the correct AY of 2006-07. In my considered opinion, the defect is a curable defect and NFAC ought to have given opportunity to cure the defect by directing the appellant to revise Form 35. Accordingly, the matter is restored to the file of the NFAC with a direction that the appeal should be disposed on merits after giving opportunity of curing the defect in Form 35.

6. In the result, the appeal filed by the assessee stands partly allowed for statistical purposes.

Order pronounced in the open court on 21st November, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 21st November, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar
ITAT, Cochin