

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

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री जगदीश, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.2163 to 2165/Chny/2025
निर्धारणवर्ष/Assessment Years: 2013-14 to 2015-16

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| M/s. Limras Lottery & Trading Co. Pvt. Ltd., No.164, Near Hotel Orchid Inn, Peters Road Opp: New Colony, Chennai-600 014. | v. | The ITO, Corporate Circle-4(1), Chennai. |
| [PAN: AAACL 7724 R] | | |
| (अपीलार्थी/Appellant) | | (प्रत्यर्थी/Respondent) |
| अपीलार्थी की ओर से/ Appellant by | : | Mr.Raghav Menon, Advocate & Mr. J. Poojesh, Advocate |
| प्रत्यर्थी की ओर से /Respondent by | : | Mr.Nishanth Rao, JCIT |
| सुनवाईकीतारीख/Date of Hearing | : | 22.10.2025 |
| घोषणाकीतारीख /Date of Pronouncement | : | 28.11.2025 |

आदेश / ORDER

PER ABY T. VARKEY, JM:

These are appeals preferred by the assessee company against the orders of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter referred to as "the Ld.CIT(A)"), Delhi, dated 25.06.2025 for the Assessment Year (hereinafter referred to as "AY") 2013-14 & 2014-15 and the order dated 20.06.2025 for AY 2015-16.



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2. At the outset, the Ld.AR of the assessee has assailed the action of the Ld.CIT(A) not admitting the appeal of the assessee by not condoning the delay in filing of all three (3) appeals. According to the Ld.AR, the Ld.CIT(A) has refused to condone the delay of '199' days in filing of appeals before him, though there was sufficient cause for delay in filing of appeal and hence erred in not entertaining the appeals preferred by the assessee. The Ld.AR invited our attention to the reasons for the delay in filing of appeals before the Ld.CIT(A) and also the affidavit showing the reason for the cause of delay and pleaded for condoning the delay and deciding the appeals on merits. At this juncture, the Ld.AR also brought to our notice that the AO didn't give proper opportunity to the assessee at the time of framing of assessment orders. Therefore, he prayed that one more opportunity be granted to the assessee before the assessing authority for which he relied on the decision of the Hon'ble Supreme Court in the case of TIN Box Co. v. CIT reported in [2001] 249 ITR 216 (SC).

3. Per contra, the Ld.DR doesn't want us to interfere with the impugned orders of the Ld.CIT(A) and submitted that the Ld.CIT(A) has rightly refused to entertain the grounds of appeal since the appeals were belatedly filed by '199' days. Therefore, the Ld.DR wants us to uphold the action of the Ld.CIT(A).



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4. Having heard both the parties and after perusal of the records, we note that the issue raised are similar in three appeals, so, we take the appeal for AY 2013-14 as the lead case, the result of which will be followed for other two years. Brief facts for AY 2013-14 are that the assessee didn't file its return of income (RoI) for the relevant assessment year. The AO based on the information [which he received from NMS data] that the assessee didn't deduct TDS u/s.194A of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') amounting to ₹26,76,106/- during the FY 2012-13; [₹27,29,397/- during FY 2013-14 & ₹25,69,284/- during FY 2014-15], issued notice u/s.148 of the Act on 18.05.2021, conveying his desire to reopen the assessment.

5. Pursuant to the notice u/s 148, the assessee is noted to have filed its RoI and the AO noted that the assessee company has declared only ₹18,770/- for AY 2013-14, whereas the assessee had received interest-income (from the deposits made in various banks) to the tune of Rs.26,76,106/-. The AO further noted that the source of income of the company is only interest income, but the assessee has debited various expenditure [viz., Director's remuneration, Director's sitting fees, salary & wages to staff, staff welfare expenses etc., in its P & L a/c.]. Having gone through the financials of the assessee company (P & L a/c), the AO was of the view that the expenses have been debited in such a fashion so that the income is reduced to 'nil' or substantially less, so that refund can be



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received against the tax deducted at source by the bank. According to the AO, since the only income of the assessee is in the form of interest income, he wondered 'as to why' such huge salary is required to be given to the Directors and staff. Therefore, the AO is noted to have disallowed the entire expenses claimed by the assessee to the tune of ₹26,47,341/- u/s.37 of the Act for AY 2013-14. Thus, he assessed the total income to the tune of Rs.26,66,111/- in place of returned income of ₹18,770/- and likewise, such disallowance of expenditure was made in other years and total income was also assessed accordingly. Before us, the assessee has submitted that notice u/s.148 of the Act was issued on 18.05.2021 [during Covid-19 pandemic period] and the assessment was framed on 24.03.2022 because of which the assessee couldn't prove the expenses claimed by the assessee company. In this regard, the assessee explained that it had made deposits to the extent of ₹2,75,00,000/- in four (4) banks; and the ibid deposits were made about 20-25 years back as security for bank guarantee which was required to be furnished before the State Governments like State of Mizoram, etc., for participating in the tender proceedings to run the business of lottery. According to the Ld.AR, lottery business have been stopped by the State Government but there are pending litigations before various Forums and therefore, the bank deposits (supra) are still lying in the respective banks, and interest on these deposits were duly credited in their respective bank accounts.



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According to the assessee, due to pending litigation, assessee had to keep running the company and given an opportunity, assessee would be able to prove the genuineness of the expenses incurred for running of the assessee company and claims that the same are allowable expenses.

6. On appeal, the Ld.CIT(A) is noted to have refused to admit the appeals on the ground that the appeals were belatedly filed by '199' days. Being aggrieved, the assessee is before us pleading for one more opportunity before the AO. We note that the Ld.CIT(A) has not decided the grounds of appeal raised by the assessee as contemplated under Sub-section (6) of Section 250 of the Act and has refused to admit the appeals of the assessee on the ground that the appeals have been belatedly filed by '199' days. As noted, the assessee is noted to have given the reason for belated filing of appeal. May be it is the one liner statement given in Form 35, [wherein, assessee has stated due to health issues and personal reasons] the assessee couldn't file the appeals on time, prompted the Ld CIT(A) not to admit the appeal, which impugned action we cannot countenanced. According to us, if the Ld.CIT(A) was not satisfied with the ibid one liner statement then he should have put the assessee on notice and ought to have given an opportunity to explain/prove the same. But unfortunately the Ld.CIT(A) has not done any such exercise which vitiates the impugned orders. Therefore, we set aside the impugned orders of the Ld.CIT(A).



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7. Be that as it may. Since we find that the assessee didn't get proper opportunity before the AO during the time of assessment proceedings and the assessee is noted to have pleaded for time for collection of evidences and considering that the notice was issued during the Covid-19 pandemic period, we set aside the assessment orders for all the three assessment years and remit back to the file of the AO for de novo assessment after hearing the assessee. The assessee is directed to file all the relevant documents to prove its claim before the AO and the AO to pass orders in accordance to law after hearing the assessee.

8. In the result, appeals filed by the assessee are allowed for statistical purposes.

Order pronounced on the 28th day of November, 2025, in Chennai.

Sd/-
(जगदीश)
(JAGADISH)

लेखा सदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,
दिनांक/Dated: 28th November, 2025.

TLN

Sd/-
(एबी टी. वर्की)
(ABY T. VARKEY)

न्यायिक सदस्य/**JUDICIAL MEMBER**

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF