

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

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री इंदूरी रामा राव, लेखा सदस्य के समक्ष  
**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT AND  
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: 2648/CHNY/2025

निर्धारण वर्ष/Assessment Year: 2018-19

**Buhari Holding Pvt. Ltd.,**  
No.5, Moores Road,  
Egmore,  
Chennai – 600 006.

**The Assistant Commissioner**  
Vs. **of Income Tax,**  
Central Circle -1(1),  
Chennai.

**PAN: AAACB 2679M**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri G. Baskar, Advocate

प्रत्यर्थी की ओर से/Respondent by

: Ms. Gouthami Manivasagam,  
Addl.CIT

सुनवाई की तारीख/Date of Hearing

: 03.02.2026

घोषणा की तारीख/Date of Pronouncement

: 05.02.2026

**आदेश/ ORDER**

**PER INTURI RAMA RAO, ACCOUNTANT MEMBER:**

This is an appeal filed by the assessee directed against the order of the Learned Commissioner of Income Tax (Appeals)-18, Chennai (in short 'CIT(A)') dated 17.10.2023 for the assessment year 2018-19.

2. At the outset, we find that there is a delay of 152 days in filing the present appeal. The assessee filed affidavit seeking condonation of delay on the ground that delay had occurred for the reason that assessee company on receipt of consequential order to the CIT(A)'s order dated 12.08.2025, approached the counsel Shri G. Baskar, Advocate to challenge the consequential order. However, he opined that appeal should be filed against the order passed by the CIT(A). Based on his advice, appeal was filed with a delay of 650 days. Thus, the sum and substance of the explanation of assessee is that the necessity of filing of appeal was realized only on the advice given by the counsel Shri G. Baskar. Therefore, it is prayed that since the delay is neither willful nor wanton but due to the circumstances beyond the control of the assessee, the delay in filing the present appeal be condoned.

3. On the other hand, the Ld. Senior DR, Ms. Gouthami Manivasagam seriously opposed the condonation of delay by stating that the assessee had realized the necessity of filing of appeal only after receipt of consequential order of the CIT(A), it does not constitute a reasonable cause for the delay in filing the appeal.

4. We have heard rival submissions and perused the material on record. On mere perusal of the order passed by CIT(A), it is

apparent that appeal was allowed. Therefore, the assessee perhaps would have swayed by the fact that appeal was allowed and therefore, there was no necessity of filing further appeal and the question of approaching a counsel for advice does not arise. It is only on receipt of consequential order, the assessee approached the counsel for necessary action, who in turn advised filing appeal against the order passed by the CIT(A). It would, in our considered view constitute a reasonable cause for delay in filing the appeal. Accordingly, we condone the delay of 650 days in filing the appeal and admit the appeal for adjudication on merits.

5. Brief facts of the case are that, the assessee is a company incorporated under the provisions of the Companies Act, 1956. It is engaged in the business of shipping. The return of income for the assessment year 2018-19 was filed on 30.10.2018 declaring total income of Rs.1,94,74,090/-. The said return of income was processed by the CPC under the provisions of section 143(1) of the Income Tax Act, 1961 (hereinafter called 'the Act') vide intimation dated 21.02.2020 by making prima facie adjustment by making an addition of Rs.3,77,65,045/- to the business income earned from shipping activity by denying the benefit of Tonnage tax scheme for the reason that the assessee company inadvertently omitted to show shipping income of Rs.3,77,65,045/- in Schedule E-1 of

'exempt income' in ITR as per the provisions of Chapter XII-G of the Act.

6. Being aggrieved, on the receipt of intimation, an appeal was filed before the CIT(A), who vide impugned order directed the AO to pass necessary rectification order by reducing the income from shipping activity of Rs.3,77,65,045/- which suffered tax under Tonnage tax scheme subject to the fulfillment of conditions laid down in Chapter XII-G of the Act.

7. Being aggrieved by the order of CIT(A), assessee is in appeal before us by raising the following grounds of appeal:-

*1. The CIT(A) having rightly directed the AO to pass a rectification order, he ought not have directed the Ao to make the rectification subject to fulfilment of the conditions laid down in Chapter-XII-G*

*2 The CIT(A) went wrong in directing the AO to look into the conditions laid down in Chapter-XII-G of the Tonnage Scheme, which is beyond the scope of 143(1) of the Act which only empowers the AO to make adjustments of arithmetical errors and mistakes apparent in the ROL*

*3. The CIT(A) failed to note that additions and disallowances u/s 143(1)(a) cannot be made on debatable issues, which can be done only in an assessment.*

*4 The eligibility and renewal of the Appellant under the Tonnage tax scheme having been decided by the CIT(A) vide order dated 01.09.2016, and a giving effect order was passed by the JCIT vide order dated 09.12.2016; the CIT(A) ought not to have directed the AO to once again verify eligibility of the assessee to the Tonnage Tax scheme.*

*5. The CIT(A) erred in not following Judicial discipline when the Hon'ble ITAT has allowed applicability of the Tonnage Tax scheme for the preceding years in the Appellants' own case.*

*6. Any other grounds that may be raised at the time of hearing*

8. Before us, it is submitted that in assessee's own case in earlier year, the Tribunal had upheld the eligibility of assessee company for the applicability of Tonnage Tax Scheme. Therefore, the CIT(A) ought not have directed the AO to pass consequential order giving the benefit of Tonnage tax scheme subject to fulfillment of conditions laid down in Chapter XII-G of the Act. It is further submitted before us that adjustment envisaged under the provisions of section 143(1) of the Act cannot be made on debatable issues.

9. The Ld.Senior DR submit that even in the scrutiny assessment made by the AO u/s.143(3) of the Act vide order dated 23.07.2021, the income was assessed at the same income as determined in the consequential order passed by the CIT(A). If assessee is aggrieved by the consequential order to the order passed by the CIT(A), separate appeal lies before the CIT(A). Therefore, the present appeal is not maintainable.

9. We have heard rival submissions and perused the material on record. We find from the impugned order that the CIT(A) allowed the appeal filed by the assessee against intimation u/s. 143(1) of the Act by directing the AO to carry out verification of eligibility of assessee for the benefit of Tonnage tax scheme. Undisputedly, the

assessee had failed to show shipping income in the relevant column of the return of income filed by the assessee. Consequently, the CPC made a prima facie adjustment by making addition of shipping income without giving the benefit of Tonnage Tax Scheme. In these circumstances, the CIT(A) set aside the claim of the assessee to the file of the AO/CPC on being satisfied with the eligibility conditions after due verification. If the assessee is aggrieved by the consequential order passed to the order of the CIT(A), a separate appeal lies before the CIT(A) and it cannot be directly agitated before this Tribunal. The grievance sought to be raised in the present appeal does not emanate from the order of the CIT(A) nor form part of the subject matter of appeal before CIT(A). Therefore, we do not find any merit in the grounds of appeal raised by the assessee.

10. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the open court on 5<sup>th</sup> February, 2026 at Chennai.

Sd/-

(जॉर्ज जॉर्ज के)

**(GEORGE GEORGE K)**

उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,

दिनांक/Dated, the 5<sup>th</sup> February, 2026

**RSR**

Sd/-

(इंटूरी रामा राव)

**(INTURI RAMA RAO)**

लेखा सदस्य/ACCOUNTANT MEMBER

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.