

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

श्री इंटूरी रामा राव, लेखा सदस्य एवं श्री एस एस विश्वनेत्र रवि, न्यायिक सदस्य के समक्ष
**BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER**

आयकर अपील सं./ITA No.: 3012/CHNY/2025

निर्धारण वर्ष/Assessment Year: 2013-14

**KMC Speciality Hospitals India
Ltd.,**
No.6, Royal Road, Cantonment,
Tiruchirapalli – 620 001.

**The Deputy Commissioner
of Income Tax,**
Circle-1,
Tiruchirappalli.

PAN: AADCS 0189E

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri Sathyamurthy, CA

प्रत्यर्थी की ओर से/Respondent by

: Shri Y. Sudarshan, JCIT

सुनवाई की तारीख/Date of Hearing

: 27.01.2026

घोषणा की तारीख/Date of Pronouncement

: 10.02.2026

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, Addl/JCIT(A)-1, Visakhapatnam (in short 'CIT(A)') dated 14.08.2025 for the assessment year 2013-14.

2. Briefly stated facts of the case are that assessee is a company incorporated under the provision of Companies Act,

1956. It is engaged in the business of running super speciality hospital. The return of income for the assessment year 2013-14 was filed on 27.09.2013 declaring 'nil' income and book profits of Rs.1,31,32,608/- u/s.115JB of the Income Tax Act, 1961 (hereinafter the 'Act'). Against the said return of income, assessment was completed by the Deputy Commissioner of Income Tax, Circle-1, Tiruchirappalli (herein after the 'AO') vide order dated 31.03.2016 passed u/s.143(3) of the Act at a total income of Rs.1,01,44,756/- before set off of brought forward losses. While doing so, the AO made disallowance u/s.40A(3) of the Act of Rs.2,08,400/-, addition on account of diversion of fund to non-business activity of Rs.8,10,000/-, disallowance of depreciation on building renovation work capitalized of Rs.6,17,140/- and disallowance of interest of Rs.45,92,465/-.

3. Being aggrieved by the above disallowance, an appeal was filed before the CIT(A), who vide impugned order partly allowed by granting relief in respect of addition made on account of depreciation on building of Rs.6,17,140/-. The balance of additions made on account of disallowance, disallowance of interest u/s.40A(3) of the Act was confirmed by the CIT(A).

4. The Ld.AR submits that pursuant to notice of hearing issued by NFAC u/s.250 of the Act, the appellant filed a detailed submissions vide letter dated 10.04.2023. In the written submissions filed before the CIT(A), the appellant had asked for personal hearing through video conferencing. The CIT(A), Without granting personal hearing through video conferencing dismissed the appeal. Therefore, the Ld.AR prayed that the matter may be remanded to the file of the CIT(A)-NFAC for fresh hearing.

5. On the other hand, the Ld.Senior DR has no serious objection for remanding the matter back to the CIT(A) for fresh hearing.

6. We heard rival submissions and perused the material on record. Admittedly, the CIT(A) had not granted personal hearing through video conferencing despite the fact that the appellant had requested for the same. Thus, order passed by the NFAC suffers from the violation of principles of natural justice and also the order was passed in blatant violation of procedure prescribed for faceless hearing of appeal. Therefore, in the interest of justice, we remand the matter to the file of the NFAC for fresh

disposal for the issues in appeal in accordance with law after affording an opportunity of personal hearing through video conferencing the appellant as requested for.

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

Order pronounced in the open court on 10th February, 2026 at Chennai.

Sd/-

(एस एस विश्वनेत्र रवि)
(S.S. VISWANETHRA RAVI)
न्यायिक सदस्य/**JUDICIAL MEMBER**

Sd/-

(इंटूरी रामा राव)
(INTURI RAMA RAO)
लेखा सदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,
दिनांक/Dated, the 10th February, 2026

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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