

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

माननीय इंटरूरी रामा राव, लेखा सदस्य एवं
माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष
BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER AND
SHRI MANU KUMAR GIRI, JUDICIAL MEMBER

आयकर अपील सं./ITA No.3738/Chny/2025

निर्धारण वर्ष/Assessment Year: 2018-19

Chennai Metro Rail Limited, Metros Anna Salai, Nandanam, Chennai – 600 035.	v.	DCIT, Corporate Circle -1(1), Chennai.
[PAN:AADCC 2233 K]		
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Mr. S. Sridhar, Advocate
प्रत्यर्थी की ओर से /Respondent by	:	Mr. Shiva Srinivas, C.I.T.
सुनवाईकीतारीख/Date of Hearing	:	10.03.2026
घोषणाकीतारीख /Date of Pronouncement	:	10.03.2026

आदेश / O R D E R

PER MANU KUMAR GIRI, JM:

This appeal filed by the assessee is directed against the order passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, for the assessment year 2018-19 dated 26.06.2025.

2. Registry has noted delay of 100 days in filing appeal. We have gone through the reasons and find the reasons sufficient hence condone the delay and admit the appeal for adjudication.

3. Chennai Metro Rail Limited (CMRL) is a Government Company u/s. 2(45) of the Companies Act, 2013. It is a Special Purpose Vehicle (SPV)



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jointly owned by the Government of India and the Government of Tamil Nadu, each holding 50% shareholding, for implementing the Chennai Metro Rail Project in Chennai, Tamil Nadu. For Assessment Year (AY) 2018-19, CMRL filed its return of income u/s.139(1) on 30.10.2018, declaring a loss of Rs.791,60,31,085/- and claiming a refund of Rs.8,39,53,709/-. The return was processed by the Assistant Director of Income Tax, Centralized Processing Centre (CPC), Bangalore u/s.143(1) of the Income Tax Act, 1961 through an intimation dated 12.05.2020, and a refund of Rs.9,21,25,241/- (including interest u/s. 244A) was issued. Assessment proceedings for AY 2018-19 were initiated through notice u/s.143(2) dated 22.09.2019 under the e-assessment mechanism. Further notices u/s.142(1) with questionnaires were issued, to which the Assessee responded. During assessment, the Assessing Officer (AO) proposed adjustments, including disallowance of gratuity amounting to Rs.37,58,066 u/s. 40A(7) on the ground that it was reported in the Tax Audit Report (Form 3CD) but not disallowed in the ITR-6. The Assessee contended that the gratuity amount had already been disallowed in the ITR u/s. 43B, and therefore the AO's action resulted in double disallowance of the same amount. The assessing officer ('AO') also identified a difference between receipts reported in Form 26AS (Rs.254,01,15,594/-) and income reported in the ITR (Rs.155,03,23,456/-) and proposed to add the difference of Rs.98,97,92,138/- to the total income. A notice u/s. 142(1) dated 16.04.2021 required the Assessee to respond by 20.04.2021, but due to Covid-19 pandemic, the Assessee could not submit the response within the stipulated time. In the absence of a response, the AO added the differential amount to income in the final assessment order. The Assessee filed an appeal against the assessment order dated 26.04.2021, passed u/s. 143(3) read with Section 144B of the Income Tax Act, 1961 before the Id.CIT(A).



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4. The Id. CIT(A) dismissed the assessee's appeal on merits on the ground that there was no compliance or response from the assessee to the notices issued through the ITBA portal.

5. Aggrieved by the same, the assessee has preferred an appeal before us. The Id. Authorised Representative (AR) submitted that the notices issued by the Id. CIT(A) through the ITBA portal were not noticed by the assessee and, therefore, the assessee could not effectively represent its case. On the other hand, the Id. Departmental Representative (DR) supported the order passed by the Id. CIT(A).

6. We have heard the rival submissions and perused the material available on record. It is observed that the Id. CIT(A) dismissed the appeal of the assessee on merits primarily on account of non-compliance to the notices issued through the ITBA portal. The contention of the assessee before us is that the notices issued by the Id. CIT(A) through the ITBA portal were not noticed and therefore the assessee could not present its case. Considering the facts and circumstances of the case, we note that the issues involved in the present appeal, inter alia, relating to the disallowance of gratuity and the addition made on account of difference between the receipts as per Form 26AS and the income reported in the return, require proper examination of the factual matrix and supporting evidences. It is also noticed that the assessment proceedings culminating in the impugned order were conducted during the period affected by the COVID-19 pandemic.

7. In the interest of substantial justice and keeping in view the principles of natural justice, we are of the considered view that the assessee should be provided one more opportunity to present its case. Accordingly, we deem it appropriate to set aside the orders of the authorities below on the issues raised in the present appeal and restore the matter to the file of the



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Assessing Officer for de novo adjudication in accordance with law. The Assessing Officer shall examine the contentions and evidences that may be filed by the assessee and pass a reasoned order after providing adequate opportunity of being heard to the assessee.

8. The assessee is also directed to cooperate in the proceedings and promptly furnish all necessary details and explanations as may be called for by the Assessing Officer.

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

Order pronounced in the open court on 10th day of March, 2026 at Chennai.

Sd/-
(इंटूरी रामा राव)
(Inturi Rama Rao)
लेखा सदस्य / Accountant Member

Sd/-
(मनु कुमार गिरि)
(Manu Kumar Giri)
न्यायिक सदस्य / Judicial Member

चेन्नई/Chennai,

दिनांक/Dated: 10th March, 2026.

SP

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF



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