

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL, 'B' BENCH, CHENNAI
श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं श्री रमित कोचर, लेखा सदस्य के समक्ष
BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND
SHRI RAMIT KOCHAR, ACCOUNTANT MEMBER

आयकर अपील सं./I.T.A.No.2763/Chny/2019

(निर्धारण वर्ष / Assessment Year: 2015-16)

M/s. Phasorz Technologies Pvt. Ltd., Vs The Income Tax Officer,
Tower-D, Third Floor, Corporate Ward – 5 (1),
Diamond District, Near ISRO Colony, Chennai
Old Airport Road,
Domlur, Bangalore – 560 008.

PAN: AAHCP 3193M

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : None

प्रत्यर्थी की ओर से/Respondent by : Shri A. Sundararajan, Addl. CIT

सुनवाई की तारीख/Date of hearing : 05.12.2019

घोषणा की तारीख /Date of Pronouncement : 16.01.2020

आदेश /ORDER

PER N.R.S. GANESAN, JUDICIAL MEMBER:

This appeal of the assessee is directed against the order passed by the Commissioner of Income Tax (Appeals)–3, Chennai dated 17.07.2017 and pertains to the assessment year 2015-16.

2. The notice of hearing was issued by this Tribunal by RPAD. However the postal authorities returned the RPAD with an endorsement 'No such company'. There may be various reasons for the assessee for not furnishing the correct address to the registry. This Tribunal has no machinery to trace out the assessee and serve notice. Therefore, we heard the Ld. Departmental Representative and proceeded to dispose the appeal on merit.

3. Shri A. Sundararajan, the Ld. Departmental Representative submitted that the assessee is a recognized start-up company and filed copy of Form 2. The CBDT issued a circular on 09.08.2019 clarifying that there cannot be any addition with regard to valuation of shares U/s.56(2)(viib) of the Income Tax Act. In view of this circular, according to the Ld.DR the Department cannot enforce the outstanding demand. Hence, the appeal has to be allowed.

4. Having heard the Ld.DR, we find that the CBDT by circular dated 30.08.2019, the copy of which is available on record made it clear that when the assessee is a recognized start-up company having filed declaration in Form 2, the provisions of Section 56(2)(viib) shall not be made applicable. In view of this circular, this

Tribunal is of the considered opinion both the authorities below are not justified in making any addition. Accordingly the orders of both the authorities below are set aside and the addition made by the Assessing Officer is deleted.

5. In the result, the appeal filed by the assessee stands allowed.

Order pronounced in the court on 16th January, 2020 at Chennai.

Sd/-
(रमित कोचर)
(Ramit Kochar)
लेखा सदस्य /Accountant Member

Sd/-
(एन.आर.एस. गणेशन)
(N.R.S. Ganesan)
न्यायिक सदस्य/Judicial Member

चेन्नई/Chennai,
दिनांक/Dated, the 16th January 2020.
RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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|------------------------|--------------------------|------------------------------|
| 1. अपीलार्थी/Appellant | 2. प्रत्यर्थी/Respondent | 3. आयकर आयुक्त (अपील)/CIT(A) |
| 4. आयकर आयुक्त/CIT | 5. विभागीय प्रतिनिधि/DR | 6. गार्ड फाईल/GF |