

आयकर अपीलीय अधिकरण , ' डी/SMC ' न्यायपीठ, चेन्नई

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"D/SMC" BENCH, CHENNAI**

श्री जॉर्ज माथन, न्यायिक सदस्यएवंश्री एस जयरामन, लेखा सदस्य केसमक्ष

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND  
SHRI S. JAYARAMAN, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No. 3188/Chny/2018

निर्धारण वर्ष/Assessment Year : 2013-14

M/s. S F Builders P. Ltd.,  
Chennai City Center, 4<sup>th</sup> Floor,  
10 &11, Dr. Radhakrishnan Salai,  
Mylapore,  
Chennai – 600 004.

Income Tax Officer,  
Vs. Corporate Ward 6(2),  
Chennai.

**[PAN: AALCS 6491F]**

**(अपीलार्थी/Appellant)**

**(प्रत्यर्थी/Respondent)**

अपीलार्थी की ओर से/Appellant by

: Shri. Pranay J. Shah, ACA

प्रत्यर्थी की ओर से/Respondent by

: Ms. R. Anita, JCIT

सुनवाईकीतारीख/Date of Hearing

: 04.12.2019

घोषणाकीतारीख/Date of Pronouncement

: 05.12.2019

**आदेश/ ORDER**

**PER S. JAYARAMAN, ACCOUNTANT MEMBER :**

The assessee filed this appeal against the order of Commissioner of Income Tax (Appeals)-16, Chennai in ITA No. 198/CIT(A)-16/2013-14 dated 27.09.2018 for assessment year 2013-14.

2. M/s. S F Builders Pvt. Ltd., the assessee, is engaged in development of housing plots in the suburbs of major cities in Tamil

Nadu as well as budget housing units. While making the assessment for assessment year 2013-14, the AO noticed that the assessee has shown Rs. 18 lakhs as credit balance, as payable to Shri. D. Manoharan for the purchase of the property. The property was registered in the name of the assessee company on 27.07.2011. The assessee submitted that M/s. Eta Star Tech City P. Ltd., paid an amount due to Shri D. Manoharan for the financial year 2011-12. However, the assessee could not provide the payment details made by M/s. Eta Star Tech City P. Ltd. to Shri. D. Manoharan nor could not match with the payment details as per relevant sale deeds. The letter issued by the AO to Shri D. Manoharan in the address given by the assessee was returned by the postal authority with a remark as "insufficient address". The AO found that the address given by the assessee is nothing but a site address of M/s. Hi Power V Infrastructure Ltd., a sister concern of the assessee . In the facts and circumstances, the AO held that the assessee did not prove the credit entry and hence added Rs. 18 lakhs to the returned income and completed the assessment. Aggrieved, the assessee filed an appeal before the CIT(A). The Ld. CIT(A) dismissed the appeal.

3. Aggrieved against that order the assessee filed this appeal. The Ld. AR submitted that the assessee filed confirmation letters before the AO dated 25.02.2016 & 31.03.2016 and the transactions are undertaken through banking channel. Therefore, it was pleaded that the appeal be

allowed. Per contra, the Ld. DR submitted that the assessee contended that it has purchased land from Shri D. Manoharan and paid the same in the earlier year i.e., during assessment year 2012-13 itself. However, during the period relevant to the assessment year 2013-14, Shri. D. Manoharan, was shown as a creditor in the balance sheet. Since, the assessee contended that the payment was made by a group concern to Shri. D. Manoharan, in that case name the group concern should have been shown in the balance sheet instead of Shri. D. Manoharan. It has not done so. Further, perusal of the bank account of M/s. Eta Star Tech City P. Ltd., did not mention the name of Shri. D. Manoharan. The assessee also could not produce any evidence which can show that Rs. 18 lakhs has been paid by M/s. Eta Star Tech City P. Ltd. to Shri. D. Manoharan. Considering all these facts, the Ld. CIT(A) dismissed the appeal and hence the Ld. DR supported the orders of the lower authorities.

4. We heard the rival submissions and gone through the relevant material. Though, the impugned transaction was completed in the earlier assessment year itself, the assessee has shown in its books of accounts that Rs. 18 lakhs was payable to Shri. D. Manoharan. The assessee could not produce the required evidences before the lower authorities. Considering the assessee's plea and the inability of the assessee in explaining the transaction before the lower authorities, we deem it fit to

remit back this issue to the AO, with a direction to the assessee to produce Shri. D. Manoharan with relevant material before the AO, for a fresh examination. The Assessing Officer on due examination of the parties and after considering their explanations, evidences/materials placed by them in respect of their contentions and after affording adequate opportunity to the assessee, shall pass the order in accordance with law. The AO is also free to conduct appropriate enquiry as deemed fit, but he shall furnish adequate opportunity to the assessee on the material etc to be used against it and decide the matter in accordance with law.

5. In the result, the assessee's appeal is treated as partly allowed for statistical purposes.

Order pronounced on Thursday, the 05<sup>th</sup> December, 2019 at Chennai.

**Sd/-**  
**(जॉर्जमाथन)**  
**(GEORGE MATHAN)**  
**न्यायिकसदस्य/Judicial Member**

**Sd/-**  
**(एसजयरामन)**  
**(S. JAYARAMAN)**  
**लेखासदस्य/Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated: 05<sup>th</sup> December, 2019

**JPV**

आदेशकीप्रतिलिपिअग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त) अपील(/CIT(A)
4. आयकरआयुक्त/CIT
5. विभागीयप्रतिनिधि/DR
6. गार्डफाईल/GF