

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH : CHENNAI

श्री महावीर सिंह, उपाध्यक्ष
एवं श्री एम बाला गणेश, लेखा सदस्य

BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT &
SHRI M. BALAGANESH, ACCOUNTANT MEMBER

आयकर अपील सं./I.T.A.No.1128/Chny/2018

निर्धारण वर्ष /Assessment year : 2014-15

Smt.Vasantha Kokila,
7A,Varadharajan Street,
Saraswathy colony
Hasthinapuram, Chennai-64.
[PAN AEKPV 4016 M]
(अपीलार्थी/Appellant)

Vs. The ACIT,
Non-Corporate Circle 22(1),
Tambaram.

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Mrs.Muthu Abirami,Advocate
प्रत्यर्थी की ओर से /Respondent by : M/s.Vijaya Praba,JCIT D.R

सुनवाई की तारीख/Date of Hearing : 26 .02.2020
घोषणा की तारीख /Date of Pronouncement : 28.02.2020

आदेश / ORDER

PER M. BALAGANESH, ACCOUNTANT MEMBER:

The assessee filed this appeal against the order of the Commissioner of Income Tax (Appeals)-10, Chennai in ITA No.151/16-17/C.I.T(A)-10, dated 30.01.2018 for the assessment year 2014-15.

2. Though the assessee has raised several grounds of appeal, we find that only effective issue that is to be decided in the instant appeal is as to whether the learned CIT(A) was justified in upholding the addition made towards the difference in the value of services rendered as reflected in Form No.26AS vis-à-vis books of account of assessee in the facts and circumstances of the case.

3. We have heard the rival submissions and perused the material available on record. We find that assessee is the proprietor of M/s.Bio Screen Tech Services, engaged in the business of maintenance of electronic instruments for various clients on Annual Contract Basis. The assessee filed her return of income for the assessment year 2014-15 admitting the total income of ₹.47,06,560/- The Ld. A.O. observed that the receipts shown by the assessee in the return did not match with the total receipts reflected in Form No.26AS of the assessee. Accordingly, the assessee was asked to furnish reconciliation statement together with the corresponding TDS element thereon. She submitted reconciliation statement and stated that certain amounts that were reflected in Form 26AS of the assessee does not belong to them and accordingly assessee was not aware of those receipts. Hence, assessee pleaded that the said sum totaling to ₹.4,43,662/- and interest of ₹.37,624/- cannot be brought to tax in the hands of assessee. We find that Ld. A.O. however discarded the contention of

the assessee on the ground that the assessee is following the mercantile system of accounting and had claimed the entire TDS as reflected in Form 26AS and held that the amounts reflected in Form 26AS actually represent the income of the assessee. Accordingly, the Ld. A.O. brought to tax the said sum of ₹.4,43,662/- towards service charges received and ₹.37,624/- towards income in the hands of the assessee. The assessee did not challenge the addition made towards interest income of ₹.37,624/- before the learned CIT(A). As far as the addition in the sum of ₹.4,43,662/- towards the difference in service charges received as per Form No.26AS and books of account of the assessee, learned CIT(A) upheld the action of the Ld. A.O.

4. Before us, Ld. A.R. stated that reconciliation statement submitted by the assessee before the lower authorities were not properly appreciated by the lower authorities. But in response to a specific query raised by the Bench to the Ld. A.R., with regard to claim of entire TDS as per Form 26As, the Ld. A.R. answered in affirmative. The law is very well settled that the claim of TDS credit should be granted vis-à-vis corresponding income getting taxed in the relevant assessment year. Considering the fact that the assessee had furnished a detailed reconciliation statement party wise mentioning the total receipts vis-à-vis the corresponding TDS thereon and as per the

reconciliation statement, we find that there are some parties with whom no receipts have been shown by the assessee in her income tax return, but reflected in Form 26As of the assessee together with TDS thereon, we deem it fit and appropriate, in the interest of justice and fair play, to remit the issue to the file of Ld. A.O. for denovo adjudication in accordance with law by making corresponding cross-verification with the concerned parties to ascertain the fact whether at all any services were indeed rendered and completed during the year under consideration by the assessee so as to bring to tax the corresponding service charge income thereon together with its TDS. Accordingly, the grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced in the open court after conclusion of hearing on 28th February, 2020, at Chennai.

Sd/-

(महावीर सिंह)
(MAHAVIR SINGH)
उपाध्यक्ष/Vice President

चेन्नई/Chennai

दिनांक/Dated: 28th February,2020.

Sd/-

एम बाला गणेश)
(M. BALAGANESH)
लेखा सदस्य /Accountant Member

K S Sundaram

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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