

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

माननीय श्री मनोज कुमार अग्रवाल ,लेखा सदस्य के समक्ष।
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकरअपीलसं./**ITA No. 775/Chny/2020**
(निर्धारणवर्ष / Assessment Year: 2018-19)

M/s. Deutschland Transformers P. Ltd Plot No. 1742, S.V. Towers, 4 th Floor, 18 th Main Road, Anna Nagar, Chennai.	बनाम/ Vs.	DCIT CPC, Bangalore.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AADCD-1743-M		
(□ पीलार्थी/Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Shri N. Arjunraj (CA) for Shri S. Sridhar (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/ Respondent by	:	Shri D. Hema Bhupal (JCIT) - Ld. DR

सुनवाईकीतारीख/ Date of Hearing	:	13-09-2022
घोषणाकीतारीख / Date of Pronouncement	:	13-09-2022

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2018-19 arises out of the order of learned Commissioner of Income Tax (Appeals)-1, Chennai dated 04.09.2020 in the matter of an intimation issued by Centralized Processing Center, Bangalore u/s 143(1) of the Act on 02.10.2019. In the intimation, the 'business income' has been enhanced by Rs.15.53 Lacs.

2. The Ld. AR drew attention to the computation of income and explained that the assessee earned income from House Property for Rs.77 Lacs which was credited in the Profit & Loss Account. The assessee paid lease premium of Rs.15.53 Lacs for this property which was debited to Profit & Loss Account. Both these items were removed from 'Business Income' and net of the two i.e., Rs.61.47 Lacs was offered as Income from House Property. However, CPC computed variance of Rs.15.53 Lacs and enhanced the business income to that extent. The Ld. Sr. DR submitted that this fact may be verified by lower authorities.

3. Upon perusal of impugned order, it could be seen that Ld. CIT(A), without appreciating the actual facts leading to alleged variance, merely held that such an adjustment could have been made u/s 143(1)(a). Aggrieved, the assessee is in further appeal before me.

4. Upon perusal of material on record, I find strength in the argument of Ld. AR. It could be seen that the assessee has removed the component of income as well as expenditure from 'business income' and offered the net of the two under Income from House Property. Therefore, there is no variance as alleged. This being so, the impugned adjustment as made by CPC is not sustainable on merits. I order so.

5. The Ld. AR has also submitted that the case for this year was picked up for scrutiny wherein the rental income has been assessed by Ld. AO as 'business income'. The appeal against the same is stated to be pending before Ld. CIT(A). Be that as the case may be, those are separate proceedings and are not the subject matter of this appeal. So far as the adjustment u/s 143(1) is concerned, the same is not

sustainable in law. The CPC is directed to delete the demand raised against the assessee u/s 143(1) on this count.

6. The appeal stand allowed.

Order pronounced on 13th September, 2022.

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखासदस्य /ACCOUNTANT MEMBER

चेन्नई/ Chennai; दिनांक/ Dated : 13-09-2022

JPV

आदेशकीप्रतिलिपिअप्रेषित/Copy of the Order forwarded to :

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