

आयकर अपीलिय अधिकरण, 'सी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
'C' BENCH, CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष एवं श्री जी. मंजुनाथ, लेखा सदस्य के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND  
SHRI G. MANJUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: **898/CHNY/2020**

निर्धारण वर्ष /Assessment Year: 2018-19

**M/s. BBL Daido Pvt. Ltd.,**  
861, Simpson Building,  
Anna Salai,  
Chennai – 600 002.

**The DCIT,**  
v. Corporate Circe 1(2),  
Chennai.

**PAN: AABCB 7452K**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by  
प्रत्यर्थी की ओर से/Respondent by

: Shri Vikram Vijayaraghavan, Advocate  
: Shri P. Sajit Kumar, JCIT

सुनवाई की तारीख/Date of Hearing

: 13.09.2022

घोषणा की तारीख/Date of Pronouncement

: 16.09.2022

**आदेश /O R D E R**

**PER MAHAVIR SINGH, VICE PRESIDENT:**

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals)-1, Chennai in ITA No.94/CIT(A)/2019-20 dated 07.09.2020. The return of income was processed by the DCIT, Centralized Processing Center, Bangalore

u/s.143(1) of the Income-Tax Act, 1961 (hereinafter the 'Act') for the assessment year 2018-19 vide order dated 22.10.2019.

2. The only issue in this appeal of assessee is as regards to the order of CIT(A) confirming the action of AO of CPC in making adjustment while processing return and issuing intimation u/s.143(1) of the Act by making double disallowance of amount of Rs.10,26,771/- being the deemed total income u/s.115JB of the Act at Rs.1,89,15,738/- as against disclosed by assessee at Rs.1,78,88,967/-. For this, assessee has raised the following Ground Nos. 2 to 2.3:-

2. The Commissioner of Income-tax (Appeals) erred in confirming the action of the Assessing officer in double disallowing the amount of Rs.10,26,771/- being the IND-AS adjustments u/s 115JB (2A) of Rs.7,28,099/- (Refer part B in Form 29B) and 115JB (2C) of Rs.2,98,672/- (Refer part C in Form 29B).

2.1 The Commissioner of Income tax (Appeals) ought to have appreciated that the Book profit after adjusting (2A), part B-115JB(2B) and Part C-115JB(2C) is Rs.1,78,88,968/- (Referred in part A-S.No-18) and offered as book profit u/s 115JB in the return of Income.

2.2 The Commissioner of Income tax (Appeals) ought to have appreciated that in the intimation u/s 143(1) dated 22.10.2019, the book profit was assessed by CPC of Rs.1,89,15,738/- (Rs.1,78,88,968 + 7,28,099+ 2,98,672) as against Rs.1,78,88,968/-.

2.3 The Commissioner of Income tax (Appeals) ought to have appreciated

that the Appellant has already added back the two amounts under the IND-As adjustments from book profit as per the provision of 115JB, hence disallowing again amounts to double disallowance.

3. We have heard rival contentions and gone through facts and circumstances of the case. Before us, the Id.counsel for the assessee explained that the DCIT, CPC erred in twice disallowing the amount of Rs.10,26,771/- being the IND-AS adjustments u/s.115JB of the Act of Rs.7,28,099/- which is reported in Part-B in Form No.29B and 115JB of the Act of Rs.2,98,672/-, which is reported in Part-C in Form No.29B. The Id.counsel for the assessee took us through the intimation issued by CPC u/s.143(1) of the Act, whereby Item No.19, deemed total income u/s.115JB is assessed by the CPC at Rs.1,89,15,738/- as against declared by assessee at Rs.1,78,88,967/-. The Id.counsel for the assessee explained from Form No.29B dated 26.11.2018, which is enclosed in assessee's paper-book at pages 8 to 12. He explained the entries of the adjustment amount already included as under:-

14.	Add/ (Less): Amount of adjustments as referred to in subsection (2A) of this section where the financial statements of the company are drawn up in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 for the previous year or any part thereof (amount from Sl.No.26 of Part B)	728099
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15.	Add/ (Less): Amount of adjustments as referred to in subsection (2C) of this section where the financial statements of the company are drawn up in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 for the previous year or any part thereof (amount from Sl.No.32 of Part C)	298672
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The Id.counsel for the assessee took us through the computation part i.e., Memo of Income for the financial year ended 31.03.2018, whereby book profit u/s.115JB is at Rs.7,28,099/- was increased and further added 1/5<sup>th</sup> of increase in fair value of other equities at Rs.2,98,672/- and thereby the book profit computed by assessee u/s.115JB after considering these two amounts at Rs.1,78,88,968/-, thereby, the AO making these addition of Rs.10,26,771/- again while computing income u/s.143(1) of the Act, which is double addition.

4. When these facts were confronted to Id. Senior DR, he could not controvert the above fact situation.

5. After having considered the issue and facts narrated above, we are convinced that the assessee has already considered this amount of Rs.10,26,771/- while computing book profit u/s.115JB of the Act

in Form No.29B dated 26.11.2018 and it need not be considered again. Hence, we direct the AO to delete this amount. Accordingly, this issue of assessee's appeal is allowed.

6. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 16<sup>th</sup> September, 2022 at Chennai.

Sd/-

(जी. मंजुनाथ)

**(G. MANJUNATHA)**

लेखा सदस्य /ACCOUNTANT MEMBER

Sd/-

(महावीर सिंह)

**(MAHAVIR SINGH)**

उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,

दिनांक/Dated, the 16<sup>th</sup> September, 2022

**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.            |