

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

श्री महावीर सिंह, माननीय उपाध्यक्ष, एवं
श्रीजी. मंजूनाथा, माननीय लेखा सदस्य के समक्ष
BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE PRESIDENT AND
SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER

आयकरअपीलसं./ITA No.154/Chny/2021
निर्धारणवर्ष/Assessment Year: 2016-17

M/s.Amudha Aseptic Food Products, v. The Income Tax Officer,
0 Karagur Village, Karagur Post, Ward-1,
Kaveripattinam Via Krishnagiri.
Krishnagiri Taluk and
District-635112.

[PAN: AAYFA 4771 G]
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Mr.T.S.Lakshmi-
Venkataraman, FCA
प्रत्यर्थी की ओर से /Respondent by : Mr.M.Rajan, CIT
सुनवाई की तारीख/Date of Hearing : 22.09.2022
घोषणाकीतारीख /Date of Pronouncement : 28.10.2022

आदेश / ORDER

PER MAHAVIR SINGH, VICE PRESIDENT:

This appeal by the assessee is arising out of the order of the Principal Commissioner of Income Tax, Coimbatore-1, vide revision order No.PCIT, Coimbatore-1/ Revision-263 /100000191577/2021 dated 30.03.2021. The assessment was framed by the Income Tax Officer, Ward-1, Krishnagiri, for the AY 2016-17, u/s.143(3) of the Income Tax Act, 1961 (hereinafter 'the Act') vide order dated 21.12.2018.

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2. The first issue in this appeal of the assessee is as regards to the order of the PCIT, the revision order u/s.263 of the Act, is that the assessment order framed u/s.143(3) of the Act, dated 21.12.2018, the original assessment order is neither erroneous nor prejudicial to the interest of the Revenue for the reason that the assessee has accounted for the machinery properly, has paid advance of Rs.31,25,445/- and balance figure of Rs.1,06,05,755/- appears in Sundry Creditors.

3. We have heard rival contentions and gone through the facts and circumstances of the case. We noted that the PCIT in its revision order noted that there is a discrepancy in purchase of machinery from M/s.Divine Agri Pvt. Ltd., Singapore, as the assessee has not accounted machinery properly in its books of accounts, the PCIT noted that the assessee company has purchased the above mentioned machinery for an amount of Rs.1,37,31,200/- on credit but disclosed outstanding of Rs.1,06,05,755/-. According to the PCIT, AO failed to verify the purchase of machinery and consequently liability arising to the above sundry creditors at the time of passing of assessment order and accordingly, invoked the Explanation-2 to Sec.263 of the Act. He directed the AO to verify the purchase of machinery and accounting of the same in its books of accounts. Before us, the Id.Counsel for the assessee stated that consequential order u/s.143(3) r.w.s.263 of the Act, with sec.144B of the Act, dated 30.03.2022, is passed and the AO in that order has only directed to disallow depreciation on machinery to 15% on the amount

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advance of Rs.31.50 lakhs which comes to Rs.4.72 lakhs as against excess claim of depreciation made by the assessee of Rs.15,87,180/-. Therefore, the original assessment order passed by the AO has become erroneous and prejudicial to the interest of the Revenue. We noted that the accounting of the advance paid Rs.31,25,445/- to M/s.Divine Agri Pvt. Ltd., Singapore, and the credit balance of Rs.1,06,05,755/- is also properly accounted in its account, but in which the depreciation claimed by the assessee is excess which has rightly considered by the AO while giving effect to the order to the revision order. Hence, we uphold the order of the PCIT i.e. the revision order on this issue.

4. Coming to the second issue on revision order in regard to accounting of closing stock, the Id.Counsel for the assessee pointed out that the AO while giving effect to the revision order u/s.143(3) r.w.s.263 of the Act, accepted the claim of the assessee as correct and hence, this ground has become infructuous. Hence, no need to adjudicate this ground. The revision order is sustained and the appeal filed by the assessee is partly allowed.

5. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced on the 28th day of October, 2022, in Chennai.

Sd/-
(जी. मंजूनाथा)
(G. MANJUNATHA)
लेखासदस्य/**ACCOUNTANT MEMBER**

Sd/-
(महावीर सिंह)
(MAHAVIR SINGH)
उपाध्यक्ष /**VICE PRESIDENT**

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चेन्नई/Chennai,
दिनांक/Dated: 28th October, 2022.
TLN

आदेशकीप्रतिलिपिअग्रेषित/**Copy to:**

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