

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री वी दुर्गा राव न्यायिक सदस्य एवं श्री जी. मंजुनाथा, लेखा सदस्य के समक्ष
Before Shri V. Durga Rao, Judicial Member &
Shri G. Manjunatha, Accountant Member

आयकर अपील सं./I.T.A. No. 141/Chny/2021
निर्धारण वर्ष/**Assessment Year:2016-17**

Consolidated Marketing Co.,
189, Basyakaralu Road East,
R.S. Puram, Coimbatore 641 002.

The Assistant Commissioner of
Income Tax,
Non Corporate Circle 2,
Coimbatore 641 002.

[PAN:AAKFC5594P]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri R. Vijayaraghavan, Advocate
प्रत्यर्थी की ओर से/Respondent by : Shri Clement Ramesh Kumar, CIT
सुनवाई की तारीख/ Date of hearing : 12.10.2022
घोषणा की तारीख /Date of Pronouncement : 04.11.2022

आदेश /O R D E R

PER V. DURGA RAO, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order of the Id. Principal Commissioner of Income Tax, Coimbatore, dated 27.03.2021 relevant to the assessment year 2016-17 passed under section 263 of the Income Tax Act, 1961 ["Act" in short].

2. Facts are, in brief, that the assessee filed its return of income for the assessment year 2016-17 on 17.10.2016 declaring an income of ₹.53,39,910/-. The case was selected for scrutiny and assessment was

completed under section 143(3) of the Act dated 09.12.2018 by accepting the income returned by the assessee.

3. Subsequently, the Id. PCIT, after examining the records, found that the receipt of unsecured loan from M/s. Rams Estate of ₹.1,99,38,277/- was not properly verified and the verification seems to have been carried out based on certain statements furnished by the assessee at the time of the scrutiny proceedings. After considering the submissions of the assessee against the show-cause notice issued under section 263 of the Act dated 12.03.2021, the Id. PCIT has observed that the assessment order passed under section 143(3) of the Act is erroneous and prejudicial to the interest of the Revenue. Accordingly, the Id. PCIT set aside the assessment order and directed the Assessing Officer to carry out fresh assessment in accordance with law after giving an opportunity of being heard to the assessee.

4. On being aggrieved, the assessee carried the matter in appeal before the Tribunal and the Id. Counsel for the assessee has submitted that the Assessing Officer, after verifying the details filed by the assessee in respect of unsecured loans from M/s. Rams Estate amounting to ₹.1,99,38,277/-, completed the assessment. Therefore,

the order passed by the Assessing Officer is neither erroneous nor prejudicial to the interest of Revenue and prayed that the order passed by the Id. PCIT under section 263 of the Act has to be cancelled.

5. On the other hand, the Id. DR has filed copy of return of income of M/s. Rams Estate for the assessment year 2016-17 and submitted that under Col. 3 (b) – Loans and advances, no details were mentioned. Therefore, the Assessing Officer, without verifying the records properly, accepted the submissions made by the assessee, thereby, the assessment order passed by the Assessing Officer is erroneous and prejudicial to the interest of the Revenue and the Id. PCIT has correctly exercised the power conferred under section 263 of the Act and prayed for upholding the revision order.

6. We have heard both the sides, perused the materials available on record and gone through the orders of authorities below. In this case, the assessment was completed under section 143(3) of the Act dated 09.12.2018. Subsequently, the PCIT, by exercising power conferred under section 263 of the Act, issued show-cause notice on the ground that the receipt of unsecured loans from M/s. Rams Estate of ₹.1,99,38,277/- was not properly verified. In response to the show-

cause notice dated 12.03.2021, the assessee filed a letter dated 19.03.2021 by stating that all the details were filed before the Assessing Officer and after examining the details, the Assessing Officer completed the assessment order under section 143(3) of the Act and therefore, the assessment order is neither erroneous nor prejudicial to the interest of Revenue. In this case, the Id. PCIT issued show-cause notice to the assessee on the ground that the Assessing Officer has not examined properly in respect of unsecured loans received from M/s. Rams Estate for the assessment year 2016-17. The Id. DR has filed a copy of the return of income for the assessment year 2016-17 in respect of M/s. Rams Estate, wherein, under Col. 3 (b) – Loans and advances, no details were mentioned. Therefore, considering the return of income of M/s. Rams Estate, we are of the considered opinion that the Assessing Officer has not examined the issue properly and the assessment order is erroneous and prejudicial to the interest of the Revenue. Therefore, the Id. PCIT has rightly exercised his power conferred under section 263 of the Act and directed the Assessing Officer to pass fresh assessment order in accordance with law after verification of the records. Thus, we find no reason to interfere with the order passed by the Id. PCIT.

7. In the result, the appeal filed by the assessee is dismissed.

Order pronounced on the 04th November, 2022 in Chennai.

Sd/-
(G. MANJUNATHA)
ACCOUNTANT MEMBER

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Chennai, Dated, 04.11.2022

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to: 1. अपीलार्थी/Appellant, 2. प्रत्यर्थी/
Respondent, 3. आयकर आयुक्त (अपील)/CIT(A), 4. आयकर आयुक्त/CIT, 5.
विभागीय प्रतिनिधि/DR & 6. गार्ड फाईल/GF.