

आयकर अपीलिय अधिकरण, 'ए' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' 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 अपीलसं./ITA No.: **1343/CHNY/2018**

निर्धारण वर्ष/Assessment Year: 2013-14

Sabari Foundation P Ltd.,
New No.30, Old No.28,
6th Main Road, R.A. Puram,
Chennai – 600 028.

The Income Tax Officer,
vs. Corporate Ward 6(1),
Chennai.

PAN: AA ECS 0298R

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri S. Sridhar, Advocate &
Shri N. Arjunraj, CA

प्रत्यर्थी की ओर से/Respondent by

: Shri AR.V. Sreenivasan, Addl.CIT

सुनवाई की तारीख/Date of Hearing

: 16.11.2022

घोषणा की तारीख/Date of Pronouncement

: 18.11.2022

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)-15, Chennai in ITA No.027/2016-17/CIT(A)-15 dated 31.01.2018. The assessment was framed by the Income Tax Officer, Corporate Ward 6(1), Chennai

for the assessment year 2013-14 u/s.143(3) of the Income Tax Act, 1961 (hereinafter the 'Act') vide order dated 31.03.2016.

2. The only issue in this appeal of assessee is as regards to the order of CIT(A) confirming the action of the AO in making disallowance u/s.41(1)(a) of the Act and that also to the extent of Rs.1 crore, which is not reconciled on account of Sri Ramakrishna Raja.

3. Brief facts relating to this short issue are that the AO made disallowance u/s.41(1)(a) of the Act on the ground that advance received from Sri Ramakrishna Raja amounting to Rs.3.96 crores is cessation of liability and assessee has not reconciled the amount to the extent of Rs.1 crore. The Id.counsel stated that this amount of Rs.1 crore is only disputed by assessee now. He requested that for reconciliation purpose, the matter can be referred back to the file of the AO and in case, the assessee is able to reconcile this amount of Rs.1 crore as noted by CIT(A) in para 6.5.3 at page 18 of his order in tabular form at item 4, the same can be adjudicated and decided accordingly. To this proposition, the Id. Senior DR has not raised any objection.

4. After hearing rival contentions and going through the facts of the case, we set aside this amount of Rs.1 crore disallowed by AO u/s.41(1)(a) of the Act, so that the assessee can reconcile and whether this is to be disallowed or not, the AO will decide based on the facts of the case. Accordingly, this issue of assessee's appeal is set aside to the file of the AO and allowed for statistical purposes.

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

Order pronounced in the open court on 18th November, 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 18th November, 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. |