

आयकर अपीलीय अधिकरण 'बी' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ ITA No.2903/Chny/2019
(निर्धारण वर्ष / Assessment Year: 2014-15)

Income Tax Officer Non-corporate Ward-15(3) Chennai-34	बनाम/ Vs.	M/s. Nithya Murthy General Contractors No.17/B, Pillayar Koil Street, Thiruvanmiyur, Chennai – 600 041.
स्थायी लेखा सं./जीआइ आर सं./PAN/GIR No. AADFN-6831-B		
(□ पीलार्थी/Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Appellant by	:	Shri N. Arjun Raj (CA) for Shri S. Sridhar (Advocate)-Ld. ARs
प्रत्यर्थी की ओरसे/Respondent by	:	Shri D. Hema Bhupal (JCIT) –Ld. DR
सुनवाई की तारीख/Date of Hearing	:	08-12-2022
घोषणा की तारीख /Date of Pronouncement	:	08-12-2022

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by revenue for Assessment Year (AY) 2014-15 arises out of the order of learned Commissioner of Income Tax (Appeals)-15, Chennai [CIT(A)] dated 31-07-2019 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.143(3) r.w.s. 147 of the Act on 30-12-2018. The revenue is aggrieved by certain relief provided by Ld. CIT(A) in the impugned order.
2. The Ld. AR raised a preliminary objection that the appeal would be covered by low tax effect circular issued by CBDT. However, Ld. Sr.

DR submitted that the case has been reopened after accepting revenue audit objections. To support the same, a copy of half-margin reply of Ld. AO has been placed on record. The same read as under: -

The RAP has pointed out that i) the addition made for the difference between the gross receipts and receipts in 26AS, an amount of Rs.54,805/- as receipt by sale of waste paper is omitted to be added. ii) Rs.66,000/- and Rs.2,32,888/- towards interest to be charged for partners current account has to be brought to tax.

Reply: After verifying the issues, remedial action will be initiated if necessary.

Subsequently, the case has been reopened after obtaining due approval in accordance with law. From the above reply, it was to be concluded that Ld. AO has not negated the objections raised by Revenue Audit Party but it has, in fact, accepted the same and initiated remedial action as required. The Ld. AR could not place on record any document which would indicate that the objections were not accepted by revenue. Thus, the submissions of Ld. Sr. DR are to be accepted and we would hold that the case would fall under the exceptions as provided in low tax effect circular. In the above background, the appeal is disposed-off on merits as under.

3. Addition of Rs.54,805/- due to difference in Form 26AS

The Ld. AO made this addition in the allegation that the said amount as shown in Form 26AS was not reflected in the financial statements. However, Ld. CIT(A), after examining the financials, held that the addition was made by Ld. AO due to oversight without examining the financials. The said finding remains uncontroverted before us. Therefore, we see no reason to interfere in the same.

4. Interest on Loans to partners

The Ld. AO made addition of Rs.66,000/- on the ground that the assessee advanced loan to its partners and it should have charged

interest. During appellate proceedings, the assessee pointed out that it had already offered interest income which was found to be correct by Ld. CIT(A) and therefore, the additions were deleted. Since the fact noted by Ld. CIT(A) remain uncontroverted, we confirm the deletion by Ld. CIT(A).

5. Addition of Rs.2,32,888/- due to difference in profits

This addition was made on the allegation that though the assessee earned net profit of Rs.7,53,680/- but it credited only Rs.5,20,792/- to the partners' current account. The Ld. CIT(A) held that crediting of such lower sum cannot lead to any difference warranting addition of income. We find that the aforesaid conclusion drawn by Ld. CIT(A) is quite apt and we concur with the same.

6. The appeal stands dismissed.

Order pronounced on 08th December, 2022.

Sd/-
(MAHAVIR SINGH)
उपअध्यक्ष / VICE PRESIDENT

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखा सदस्य / ACCOUNTANT MEMBER

चेन्नई / Chennai; दिनांक / Dated : 08-12-2022
EDN/-

आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order forwarded 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