

आयकर अपीलीय 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 MANJUNATHA.G, ACCOUNTANT MEMBER

आयकरअपीलसं./I.T.A.No.634/Chny/2023
(निर्धारणवर्ष /Assessment year: 2018-19)

Shri Kannapiran Mills Limited, Post Bag No.1, Sowripalayam, Coimbatore-641 028.	Vs	The Assistant Commissioner of Income Tax, Corporate Circle-1, Coimbatore.
PAN: AACCS 9186Q		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Mr. Girish Kumar, Advocate
प्रत्यर्थीकीओरसे/Respondent by	:	Mr. AR.V. Sreenivasan, Addl.CIT

सुनवाईकीतारीख/Date of hearing	:	11.01.2024
घोषणाकीतारीख /Date of Pronouncement	:	11.01.2024

आदेश / ORDER

PER MANJUNATHA.G AM:

This appeal filed by the assessee is directed against order of the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), New Delhi dated 31.03.2023 and pertains to assessment year 2018-19.

2. Brief facts of the case are that the assessee has filed its return of income for the assessment year 2018-19 declaring total income of Rs.7,99,15,580/-. The return of income filed by the assessee has been processed u/s.143(1) of the Income Tax Act, 1961, and an intimation dated 15.11.2019 was issued determining total income at Rs.8,28,18,350/- by making various additions, including additions towards dividend income

of Rs.23,07,214/- u/s.115BBDA of the Act and profit on sale of asset at Rs.5,95,550/-. The assessee carried the matter in appeal before the first appellate authority. The Ld.CIT(A), National Faceless Appellate Centre (NFAC), Delhi vide order dated 31.03.2023 partly allowed appeal filed by the assessee, where the Ld.CIT(A) confirmed additions made towards dividend income u/s.115BBDA of the Act and deleted additions made towards profit on sale of asset. Aggrieved by the CIT(A) order, the assessee is in further appeal before us.

3. The learned A.R for the assessee submitted that the Assessing Officer has made additions towards dividend income which was claimed exempt u/s.10(34) of the Act and taxed u/s.115BBDA of the Act, in the assessment completed u/s.143(1) of the Act, without providing opportunity to the assessee to explain how dividend income is not exempt from tax. Therefore, the matter may be set aside to the file of the Ld. Assessing Officer to give one more opportunity to the assessee.

4. The Ld.DR present for the Revenue fairly agreed that the issue may be set aside to the file of the Assessing Officer for verification.

5. We have heard both the parties, perused material available on record and gone through orders of the authorities below. The Assessing Officer has made additions towards dividend income which was claimed exempt u/s.10(34) of the Act u/s.115BBDA in intimation issued u/s.143(1) of the Act, without providing any opportunity to the assessee to explain its case. Even, the Ld.CIT(A) rejected arguments of the assessee in one line finding without discussing how claim of the assessee is not allowable. Therefore, we are of the considered view that issue needs to go back to the file of the Assessing Officer to give one more opportunity to the assessee to explain its case. Thus, we set aside order of the Ld. CIT(A) on the issue of addition towards dividend income and restore the issue back to the file of the Assessing Officer and direct the Assessing Officer to re-examine the issue, after providing reasonable opportunity of hearing to the assessee.

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

Order pronounced in the open court on 11th January, 2024

sd/-

(महावीर सिंह)

(Mahavir Singh)

उपाध्यक्ष / Vice-President

चेन्नई/Chennai,

दिनांक/Dated :11.01.2024

DS

sd/-

(जी. मंजुनाथ)

(Manjunatha.G)

लेखा सदस्य / Accountant Member

आदेश की प्रतिलिपि अग्रेषित/Copy to:

- 1.Appellant
2. Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF.