

आयकर अपीलीय अधिकरण “ए” न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH, CHENNAI

माननीय श्री एबी टी. वर्की, न्यायिक सदस्य एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI ABY T. VARKEY, JM AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ ITA No.1516/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2018-19)

M/s. Jain Housing 98/99, Habibullah Road, T. Nagar Chennai-600 017.	बनाम/ Vs.	PCIT Chennai-1.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AAEFJ-2408-B		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	Shri Shrenik Chordia (CA)-Ld.AR
प्रत्यर्थीकी ओरसे/ Respondent by	:	Shri Nilay Baran Som (CIT) -Ld. Sr. DR

सुनवाईकी तारीख/ Date of Hearing	:	20-08-2024
घोषणाकी तारीख / Date of Pronouncement	:	03-09-2024

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. By way of this appeal, the assessee assails invocation of revisionary jurisdiction u/s 263 by Ld. Pr. Commissioner of Income Tax Chennai-1 (Pr.CIT) vide impugned order dated 27-03-2024 in the matter of an assessment framed by Ld. AO u/s.143(3) r.w.s 144B of the Act on 19-04-2021. The grounds taken by the assessee are as under: -

1. For that the order of the Learned Principal Commissioner of Income Tax passed u/s 263 of the Income Tax Act, 1961 is contrary to law, facts and circumstances of the case.
2. For that the Learned Principal Commissioner of Income Tax is not justified in Invoking the provisions of section 263 of the Act, when the underlying Assessment passed under section 143(3) of the Act is not 'erroneous and prejudicial to the interests of the

revenue' and had thereby erred in partly setting aside the said Order dated 19.04.2021 passed u/s 143(3) of the Act.

3. For that the Learned Principal Commissioner of Income Tax had erred in partly setting aside the Assessment Order dated 19.04.2021 passed u/s 143(3) of the Act, directing the Assessing Officer to examine the remission of trading liability to the tune of Rs.21,66,877/-, without proper reasoning.

4. For that the Learned Principal Commissioner of Income Tax had failed to appreciate that the said remission of trading liability to the tune of Rs. 21,66,877/- had been duly offered to tax by the appellant vide its Return of Income filed for the subject AY 2018-19,

5. For these grounds and such other grounds that may be adduced before or during the hearing of the appeal, *it* is most humbly and respectfully prayed that the Hon'ble Tribunal may be pleased to quash the order of the PCIT passed u/s 263 of the Act or provide such other relief as this Hon'ble Tribunal may deem fit.

2. The Ld.AR advanced arguments and submitted that the impugned amounts as flagged by Ld. Pr. CIT have already been offered to tax by the assessee. The Ld. CIT-DR justified the revision of the order. Having heard rival submissions and upon perusal of case records, our adjudication would be as under.

3. From the facts, it emerges that the assessee was assessed u/s. 143(3) r.w.s 144B on 19-04-2021 accepting the returned income of Rs.54.74 Lacs. The assessee being resident firm is stated to be engaged in the business of real estate development.

4. Subsequently, Ld. Pr.CIT, upon perusal of Tax Audit Report in Form 3CD, noted that the Tax Auditor had reported a sum of Rs.21.66 Lacs being chargeable to tax u/s 41(1) on account of remission / cessation of trading liability. This issue was not examined by Ld. AO and accordingly, the assessee was show-caused. The assessee opposed the same, inter-alia, on the ground that the impugned amount was credited under the head 'sundries written-off' which was treated as other income in the Profit & Loss Account. In support, the assessee furnished ledger extracts also. However, since ledger of each account was not submitted separately, Ld. Pr. CIT directed Ld. AO to examine this aspect with a

direction to the assessee to furnish the requisite documents. Aggrieved, the assessee is in further appeal before us.

5. We find that the revisionary proceedings stem from the observation of Tax Auditor that there was remission of trading liability u/s 41(1)(a). On the face of the assessment order, it could be seen that this issue was never examined by Ld. AO. Though the assessee contended that this amount was already offered to tax as other income, however, it failed to adduce supporting ledger accounts during revisionary proceedings. The Ld. AR has reiterated the arguments before us. However, complete reconciliation, in this regard, has not been filed before us also. Therefore, the revision of the order could not be faulted with. The Ld. AO may re-examine the fact whether the amount reported by Tax Auditor has already been offered to tax. If so, no further addition would be warranted. The assessee is directed to substantiate the same.

6. The appeal stands dismissed.

Order pronounced on 3rd September, 2024

Sd/-
(ABY T. VARKEY)
न्यायिक सदस्य / JUDICIAL MEMBER

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

चेन्नई Chennai; दिनांक Dated :03-09-2024
DS

आदेशकीप्रतिलिपिअप्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT Chennai.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF