

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई।  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'A' BENCH: CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND**  
**SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No. 1652/Chny/2024  
निर्धारण वर्ष /Assessment Year: 2022-23

**Income Tax Officer,**  
**CW-6(3),**  
**Chennai**

**Sify Infinit Spaces Limited,**  
**Vs. No.4, 2<sup>nd</sup> Floor, Tidel Park,**  
**Rajiv Gandhi Salai,**  
**Taramani,**  
**Chennai-600113**  
**[PAN: AAZCS5147A]**

**No.**

**(अपीलार्थी/Appellant)**

**(प्रत्यर्थी/Respondent)**

*अपीलार्थी की ओर से/ Assessee by* :

Shri S.P.Chidambaram, Advocate

*प्रत्यर्थी की ओर से /Revenue by* :

Shri Keerthi Narayanan, JCIT

*सुनवाई की तारीख/Date of Hearing* :

04.09.2024

*घोषणा की तारीख /Date of Pronouncement* :

06.09.2024

**आदेश / O R D E R**

**PER AMITABH SHUKLA, A.M :**

This appeal is filed against the order bearing DIN & Order No.ITBA/APL/S/250/2023-24/1063757208(1) dated 31.03.2024 of the Learned Commissioner of Income Tax [herein after "CIT(A) for the assessment years 2022-23. Through the aforesaid appeal the assessee has challenged order u/s 250 dated 31.03.2024 passed by Additional / JCIT, Lucknow.

2.0 The twin issues raised in this appeal by the Revenue are regarding an addition of Rs.8.06 Crores and Rs.16.56 lacs pertaining to adjustments made u/s 143(1)(a) which have been deleted by the Ld. First Appellate Authority.

3.0 We have heard rival submissions in the light of material available on records. The first issue arising in this appeal is regarding the addition of Rs.8.06Crores made u/s 143(1)(a). The Ld. DR informed that in spite of disallowance by the auditor in the tax audit report in respect of interest payments on borrowed capital u/s 36(1)(iii) the assessee did not made corresponding disallowance in its computation of income. In support of its contentions, the Ld. DR relied upon documents kept in the paper book qua tax audit report, assessee's computation of income etc. The Ld. Counsel for the assessee informed that it is a case of erroneous grouping. In support of its contentions it relied upon page nos. 61 of paper book and submitted that the amount therein includes the impugned amount of Rs.8.06 Crores. It was further submitted that the Ld. First appellate authority in para 11.2 and 11.3 of her order has analyzed the matter in great detail and after examination of the assessee's ITR and TAR it was concluded that the addition of Rs.8,06,12,975/- was unwarranted and hence deleted.

The relevant part of her order is extracted as under:-

*".....11.2The appellant submitted that during the relevant AY, the appellant had reported a sum of Rs.8,06,12,975/- in clause 21(i) of the tax audit*

*report as sum disallowance as deduction under section 36(1)(iii) of the Act with respect to interest payments on borrowed capital. However, in the return of income, the disallowance of Rs.8,06,12,975/- reported under clause 21(i) of the Tax Audit Report has been reported under “any other amount allowable as deduction” in Clause 33 of Schedule BP by way of reduction from deduction claimed under the said clause.*

*11.3 The contention of the appellant has been considered. The claim of the appellant is verifiable from the ITR and the Audit Report of the relevant assessment year and hence accepted. Consequently, the addition made by the for an amount of Rs.8,06,12,975/- is hereby deleted. This ground of appeal is allowed....”*

4.0 The Ld. DR could not controvert the arguments of the Ld. Counsel of the assessee. Upon consideration of the whole matter we find that the Ld. First appellate authority has passed a speaking order after carefully analyzing the material available on records. It is noted that it is not a case of alleged non-disallowance by assessee in its computation of income but a case of disallowance under wrong head. The action of the assessee causes no prejudice to the Revenue. Accordingly, the ground of appeal raised by the Department qua the action of the Ld. First appellate authority in deleting the addition of Rs.8,06,12,975/- is dismissed.

5.0 The next issue under consideration is the disallowance of Rs.16,56,907/- lakhs u/s 43B of the Act. The Ld. DR fairly considered that the action of the First appellate authority in deleting the same is based upon the correct understating of the law. We have also noted that the decision of the First appellate authority is based upon proper appreciation of the facts of the case. Accordingly, the ground of appeal raised by the Department qua the action of the Ld. First appellate authority in deleting the addition of Rs.16,56,907/- is also dismissed.

6.0 In the result, the appeal of the Revenue is dismissed.

Order pronounced on 6<sup>th</sup>, September-2024.

Sd/-

(महावीर सिंह)

(Mahavir Singh)

उपाध्यक्ष / Vice President

Sd/-

(श्री अमिताभ शुक्ला)

(Amitabh Shukla)

लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 6<sup>th</sup>, September-2024.

KB/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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