

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI**

श्री एस एस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI S.S. VISWANETHRA RAVI, HON'BLE JUDICIAL MEMBER
AND SHRI S. R. RAGHUNATHA, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: **1804/Chny/2024**
निर्धारण वर्ष / Assessment Year: 2017-18

Deputy Commissioner of Income Tax, Corporate Circle -3(1), Chennai – 600 034. (अपीलार्थी/Appellant)	v. Shriram Finance Ltd., 14A, SRI Tower, Guindy Industrial Estate S.O, Guindy, Chennai – 600 032. [PAN: AAACS-7018-R] (प्रत्यर्थी/Respondent)
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अपीलार्थी की ओर से/Appellant by : Shri. S. Senthil Kumaran, CIT
प्रत्यर्थी की ओर से/Respondent by : Shri. R. Sivaraman, Advocate

सुनवाई की तारीख/Date of Hearing : 19.09.2024
घोषणा की तारीख/Date of Pronouncement : 20.09.2024

आदेश / O R D E R

PER S. R. RAGHUNATHA, ACCOUNTANT MEMBER:

This appeal filed by the assessee is directed against the order passed by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 03.05.2024 and pertains to assessment year 2017-18.

2. The assessee has raised the following grounds of appeal:

"1. The order of the CIT(A) is contrary to the facts and circumstances of the case.

2. The Id. CIT(A) erred in not adjudicating the issue on merit, without considering the point that the order of the ITAT wherein the 263 was quashed, was not accepted by the Revenue and further appeal was filed by the Revenue.

3. The Id. CIT(A) failed to consider the point that in the event of reversal of the order of the ITAT wherein the 263 was quashed, by higher appellate forum, the consequential order shall not revive automatically, hence the CIT(A) ought to have heard the case on merit.

4. For these and other grounds that may be adduced at the time of hearing, it is prayed that the order of the Ld. CIT(A) be set aside and that of the Assessing Officer be restored.”

3. The brief facts of the case are that, the assessee is a company filed its return of income and the assessment u/s. 143(3) of the Income-tax Act, 1961 (hereinafter referred to as “the Act”) was concluded on 31.12.2019. The Id.PCIT, had invoked a provision of section 263 of the Act and treated the order u/s. 143(3) of the Act as erroneous in so far as prejudicial to the interest of the revenue and passed an order u/s.263 of the Act o 31.03.2022 by setting aside the order of the AO.

4. The AO based on the order u/s. 263 of the Act of Id.PCIT passed an order u/s. 143(3) r.w.s. 263 of the Act for the assessment year 2017-18 by making a disallowance u/r. 8D of the I.T. Rules and recomputed the total income of the assessee. Aggrieved by the order of the AO, the assessee

preferred an appeal before the Id.CIT(A). The Id.CIT(A) has deleted the addition made by the AO and allowed the appeal of the assessee. Aggrieved by the order of the Id.CIT(A), the revenue preferred an appeal before us.

5. Meanwhile, the assessee challenged the order u/s. 263 of the Act of Id.PCIT before this Tribunal and the Tribunal had quashed the order of Id.PCIT vide ITA No. 420/Chny/2022 dated 03.05.2023. We note that, as the order u/s. 263 of the Act of the Id.PCIT has been quashed, appeal filed by the revenue against the order of the Id.CIT(A) do not survive and hence, the appeal of the revenue is dismissed.

6. In the result, appeal filed by the revenue is dismissed.

Order pronounced in the court on 20th September, 2024 at Chennai.

Sd/-

(एस एस विश्वनेत्र रवि)

(S.S. VISWANETHRA RAVI)

न्यायिक सदस्य/**Judicial Member**

Sd/-

(एस. आर. रघुनाथा)

(S. R. RAGHUNATHA)

लेखा सदस्य/**Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated, the 20th September, 2024

JPV

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