

आयकर अपीलीय अधिकरण, "ए" न्यायपीठ, चेन्नई।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
'D' BENCH: CHENNAI

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष  
BEFORE SHRI ABY T VARKEY, JUDICIAL MEMBER AND  
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA 1104 / Chny/2018, Assessment Years-2008-09  
आयकर अपील सं./ITA 1105 / Chny/2018, Assessment Years-2013-14

Assistant Commissioner of Income  
Tax,  
Central Circle-2(3),  
Chennai.

M/s. Surana Corporation Ltd.,  
No.29, Whites Road,  
Royapettah,  
Chennai-600 014.  
[PAN: AAACS3122L]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Assessee by

: Mr. Badrinarayan, Advocate.

प्रत्यर्थी की ओर से /Revenue by

: Mr. A.Sasikumar, CIT

सुनवाई की तारीख/Date of Hearing

: 27.02.2025

घोषणा की तारीख /Date of Pronouncement

: 04.04.2025

आदेश / ORDER

PER AMITABH SHUKLA, A.M :

The below mentioned appeals have been filed by the  
Revenue for AY-2008-09 and AY-2013-14 contesting the order of Ld.

First Appellate Authority indicated Column-E, herein below:-

S. No.	Appeal Nos.	AYs	Appellant	CIT(A) Order Details	Respondent
A	B	C	D	E	F
1	ITA No. 1104 / Chny / 2018	2008-09	Assistant Commissioner of Income Tax, Central Circle-2(3), Chennai.	ITA Nos. 150/16-17 dated 20.12.2017	M/s.Surana Corporation Ltd., No.29, Whites Road, Royapettah, Chennai-600 014. Tamil Nadu-636005. [PAN: AAACS3122L]
2	ITA No. 1105 / Chny / 2018	2013-14		ITA Nos. 151/16-17 dated 20.12.2017	

2.0 The twin appeals are centering around a common issue and hence for the purposes of convenience, adjudicated together. For the purposes of this adjudication the facts and figures for AY-2008-09 have been taken. The decision for AY-2008-09 shall apply mutatis mutandis for appeal AY-2013-14. The Revenue is contesting the order of the Ld. First Appellate Authority for AY-2008-09 and AY-2013-14 in deleting the addition made by the Ld. AO on identical grounds.

3.0 At the outset the Ld. Council for the assessee informed that the assessee company has undergone insolvency / liquidation proceedings before the NCLT and hence the demand raised through impugned assessment orders can now only be subjected to law prescribed under the IBC code. In support of its submission the Ld. Counsel has filed a detailed paper book containing orders of NCLT details of liquidation proceedings, inter-alia, including CIRP order dated 05.10.2018, liquidation order dated 25.09.2019 etc. The assessee has also filed letter dated 06.07.2020 of ACIT Central Circle-2(3) Chennai addressed to the liquidator in the case qua Revenue's claims. The Ld. Counsel argued that as the Revenue's case is now non-maintainable, its appeal therefore requires to be dismissed. The Ld.AR also invited our attention to section 156A which authorizes the AO to modify the demand order issued under

Section 156 in conformity with the order of the adjudicating authority, reducing the demand of tax, interest, penalty, fine, or any other sum.

4.0 The Ld. DR did not contest the arguments of the Ld. AR and agreed for action to be taken by the AO as prescribed in the section 156A.

5.0 We have heard the rival submission and examined the matter in the light of facts of the case and evidence placed on record. It is noted that the finance bill-2022 introduced section 156A which provides as under:

***Modification and revision of notice in certain cases.***

*“..156A.(1) Where any tax, interest, penalty, fine or any other sum in respect of which a notice of demand has been issued under section 156, is reduced as a result of an order of the Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Assessing Officer shall modify the demand payable in conformity with such order and shall thereafter serve on the assessee a notice of demand specifying the sum payable, if any, and such notice of demand shall be deemed to be a notice under section 156 and the provisions of this Act shall accordingly, apply in relation to such notice.*

*(2) Where the order referred to in sub-section (1) is modified by the National Company Law Appellate Tribunal or the Supreme Court, as the case may be, the modified notice of demand as referred to in sub-section (1), issued by the Assessing Officer shall be revised accordingly.”.*

6.0 The statutory provision of section 156A effective from 1<sup>st</sup> April, 2022, thus provides that where any tax, interest, penalty, fine or any other sum in respect of which a notice of demand has been issued under section 156, is reduced as a result of an order of an Adjudicating Authority as defined in clause (1) of section 5 of the Insolvency and Bankruptcy Code, 2016, the Assessing Officer shall modify the demand payable in conformity with such order and shall thereafter serve on the assessee a notice of demand specifying the sum payable, if any, and such notice of demand shall be deemed to be a notice under section 156 and the provisions of this Act shall apply accordingly. The amended law further provides that where the order referred to in sub-section (1) is modified by the National Company Law Appellate Tribunal or the Supreme Court, as the case may be, the modified notice of demand as referred to in sub-section (1), issued by the Assessing Officer shall be revised accordingly. Accordingly, we direct the assessing officer to take necessary action under section 156A of the Act. The grounds of appeal raised by the Revenue are therefore dismissed.

7.0 The decision in ITA No.1104/Chny/2018 supra shall apply mutatis mutandis in ITA No.1105/Chny/2018.

8.0 In the result the appeal of the Revenue for ITA No.1104/Chny/2018 and ITA No.1105/Chny/2018 are dismissed.

Order pronounced on 4<sup>th</sup>, April-2025 at Chennai.

**Sd/-**

**( एबी टी. वर्की )**

**(ABY T VARKEY)**

**न्यायिक सदस्य / Judicial Member**

**Sd/-**

**(अमिताभ शुक्ला)**

**(AMITABH SHUKLA)**

**लेखा सदस्य /Accountant Member**

**चेन्नई/Chennai, दिनांक/Dated: 4<sup>th</sup>, April-2025.**

**KB/-**

**आदेश की प्रतिलिपि अग्रेषित/Copy to:**

- 1. अपीलार्थी/Assessee:**
- 2. प्रत्यर्थी/Revenue**
- 3. आयकर आयुक्त/CIT - Chennai**
- 4. विभागीय प्रतिनिधि/DR**
- 5. गार्ड फाईल/GF**