

**आयकर अपीलीय अधिकरण, 'बी' खंडपीठ मुंबई**  
**INCOME TAX APPELLATE TRIBUNAL, MUMBAI "B" BENCH**  
**सर्वश्री राजेन्द्र, लेखा सदस्य एवं शक्तिजीत दे, न्यायिक सदस्य**  
**Before S/Sh. Rajendra, Accountant Member & Saktijit Dey, Judicial Member**  
**आयकर अपील सं./ITA No. 6200/Mum/2013, निर्धारण वर्ष/Assessment Year-2009-10**

ACIT, Circle-6(3) R.No.522, 5 <sup>th</sup> Floor Aayakar Bhavan, M.K. Road Mumbai-400 020.	Vs	M/s.Morarjee Textiles Ltd. 2 <sup>nd</sup> floor, Peninsula Spenta Mathuradas Mills Compound Senapati Bapat Marg, Lower Parel Mumbai-400 013. <b>PAN:AAACM 2725 R</b>
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(अपीलार्थी /Appellant)

(प्रत्यर्थी / Respondent)

निर्धारिती ओर से/Assessee by

: Shri Samir Tekriwal

राजस्व की ओर से/ Revenue by

: Shri Ronak Doshi

**सुनवाई की तारीख/ Date of Hearing : 08-10-2015**

**घोषणा की तारीख / Date of Pronouncement : 08 -10-2015**

**आयकर अधिनियम, 1961 की धारा 254(1)के अन्तर्गत आदेश**

**Order u/s.254(1)of the Income-tax Act,1961(Act)**

**लेखा सदस्य राजेन्द्र के अनुसार PER RAJENDRA, AM-**

Challenging the order dated 01.08.2013 of CIT(A)-12,Mumbai,the Assessing Officer(AO) has filed the present appeal.

Assessee-company filed its return of income on 26.09.2009.A revised return was filed on 16.03.2011,declaring total income of Rs.(-)31.91 Crores under the normal provisions and book loss of Rs.30.03 Crores u/s.115JB of the Act.The AO completed the assessment u/s.143(3) of the Act on 30.12.2011,determining the income of the assessee at Rs.(-)30.17 Crores.He calculated the income under the MAT provisions at Rs.(-)28.30 Crores.

2.Effective Ground of appeal deals with the value of current liabilities and provisions with regard to calculation of the disallowance u/s.14A of the Act r.w.Rule 8D of the Income tax Rules, 1962(Rules).During the assessment proceedings,the AO found that the assessee had voluntarily made a disallowance of Rs.1.87 Crores u/s.14A of the Act.However,the AO was of the opinion that same was not in accordance with the provisions of Rule 8D of the Rules.After recording his dissatisfaction about the correctness of the computation made by the assessee,the AO recomputed the disallowance at Rs.3.61 Crores.

3.Aggrieved by the order of the AO,the assessee preferred an appeal before the First Appellate Authority (FAA).Before him it was contented that the AO had erroneously included the foreign investments while calculating the average value of investment for 14A purposes,that income from such investments was taxable in the hands of the assessee,that he had mistakenly took figure of Rs.1.41 Crores being 0.5% of average value of investment instead of the actual figure of Rs 14. 19 lakhs,that the AO had added back the amount of current liabilities and provisions while calculating the average value of total assets.After considering the submissions of the

assessee and the assessment order,he held that the AO should verify the claim made by the it about the taxable income arising from foreign investment and to work out the average value of investment for the purpose of disallowance to be made u/s.14A of the Act.He further directed the AO to verify the other claims made by the assessee,especially about the amount of current liabilities and provisions.He further directed the AO to verify the claim of the about adopting a wrong figure of Rs.1.41 crores for making disallowance.

4.Before us,the Departmental Representative(DR)supported the order of the AO.The Authorised Representative relied upon the order of the FAA and stated that the AO had made an unjustified addition u/s.14A of the Act.He relied upon the cases of Shitanshu Bipin Vora(ITA//2585/Mum/2013-AY.2009-10,dated 26.09.2014) and KSM securities and Finance Pvt.ltd.(ITA/3632/Mum/2013-AY.08-09.dtd.11.09.2015).

5.We have heard the rival submissions and perused the material before us.We find that the FAA had directed the AO make certain verification.He has not deleted any addition.He has asked the AO to adopt correct figures for making disallowance u/s.14A of the Act.If the assessee is following net current asset method for preparing the balance sheet then the fact has to be considered for deciding the issue of disallowance.In our opinion none of his directions suffer from any legal infirmity.So,confirming his order,we decide effective ground of appeal against the AO.

As a result,appeal filed by the AO stands dismissed.

फलतः निर्धारिती अधिकारी द्वारा दाखिल की गई अपील नामंजूर की जाती है

Order pronounced in the open court on 8<sup>th</sup>,October,2015.

आदेश की घोषणा खुले न्यायालय में दिनांक 8 अक्टूबर,2015 को की गई ।

Sd/-

(शक्तिजीत डे / Shaktijit Dey)

न्यायिक सदस्य / JUDICIAL MEMBER

मुंबई/Mumbai,दिनांक/Date: 8.10. 2015

व.नि.स./v.Sr.PS.

**आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1.Appellant /अपीलार्थी

2. Respondent /प्रत्यर्थी

3.The concerned CIT(A)/संबद्ध अपीलीय आयकर आयुक्त, 4.The concerned CIT /संबद्ध आयकर आयुक्त

5.DR A Bench, ITAT, Mumbai /विभागीय प्रतिनिधि, ए खंडपीठ,आ.अ.न्याया.मुंबई

6.Guard File/गार्ड फाईल

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार Dy./Asst. Registrar

आयकर अपीलीय अधिकरण, मुंबई /ITAT, Mumbai.