

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DIVISION BENCHES 'SMD', CHANDIGARH**

BEFORE MS. DIVA SINGH, JUDICIAL MEMBER  
AND Dr. B.R.R.KUMAR, ACCOUNTANT MEMBER

**ITA No. 1455/CHD/2017**

Assessment Year : 2012-13

Shri Ashish Modi, Modi Rice & General Mills Complex, Barewal Road, Ludhiana. PAN : AIYPM9777E	Vs	The ITO-7(1), Ludhiana.
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(Appellant)

(Respondent)

Appellant by	:	Shri Ashwani Kumar,CA
Respondent by	:	Shri Manoj Kumar, Sr.DR

Date of hearing	:	14.06.2018
Date of Pronouncement	:	07.08.2018

**ORDER**

**PER DIVA SINGH**

The present appeal has been filed by the assessee assailing the correctness of the order dated 03.07.2017 of CIT(A)-3 Ludhiana pertaining to 2012-13 assessment year on the following ground :

*That order passed u/s 250(6) of the Income Tax Act, 1961 by the Ld. Commissioner of Income Tax (Appeals-3, Ludhiana is against law and facts on the file in as much as she was not justified to uphold the disallowance of Rs. 14,04,878/- u/s 14A read with Rule 8D on account of interest paid by the appellant.*

2. The short issue which falls for consideration in the present proceedings is the addition of Rs. 14,04,878/- made by the AO u/s 14A which has been confirmed in appeal by the CIT(A). The ld. AR submitted that in the peculiar facts and circumstances of the present case, it would his limited request that the addition may be confirmed to the extent of exempt income received in the year under consideration in terms of the judicial precedent available. The said request was not opposed by the ld. Sr.DR except for the submission that since there is no discussion in the orders about exempt income received, the fact may be verified. The ld. AR stated that he has no objection if the fact is verified. As per his information, exempt income available with the assessee is Rs. 83,318/-. In the light of the

submissions of the parties before the Bench, the limited prayer of the assessee is allowed and the matter is restored to the AO with the direction to restrict the exempt income to the extent of income received. Said order was pronounced in the Open Court at the time of hearing itself.

3. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the Open Court on 07.08.2018.

Sd/-  
**(Dr.B.R.R.KUMAR)**  
**ACCOUNTANT MEMBER**

Sd/-  
**( DIVA SINGH)**  
**JUDICIAL MEMBER**

'Poonam'

Copy to:

1. The Appellant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR

Asstt. Registrar  
ITAT,Chandigarh.