

आयकर अपीलीय अधिकरण, इन्दौर न्यायपीठ, इन्दौर

**IN THE INCOME TAX APPELLATE TRIBUNAL
INDORE BENCH, INDORE**

**BEFORE HON'BLE KUL BHARAT, JUDICIAL MEMBER
AND
HON'BLE MANISH BORAD, ACCOUNTANT MEMBER**

**ITA No.586/Ind/2017
Assessment Year: 2013-14**

M/s. Ananjay Construction & Contracts Pvt. Ltd. 13, Gomantika Parisar, Shopping Complex, Jawahar Chowk, Bhopal (Appellant)	<u>बनाम/</u> Vs.	ITO-1(2) Bhopal (Revenue)
PAN: AAKCA6996J		
Appellant by	Shri Hitesh Chimnani, CA	
Revenue by	Shri K.G. Goyal, Sr. DR	
Date of Hearing:	15.01.2019	
Date of Pronouncement:	16.01.2019	

आदेश / O R D E R

PER MANISH BORAD, A.M:

This appeal by Assessee pertaining to A.Y. 2003-04 is directed against the order of Ld. Commissioner of Income Tax(Appeals)-1 Bhopal, (in short 'CIT(A)'), dated 30.06.2017 which is arising out of the order u/s 143(3) of the Income Tax Act 1961(hereinafter called as the 'Act') framed on

22.02.2016 by ITO, 1(2) Bhopal. The assessee has raised following grounds of appeal:

“That on the facts and in the circumstances of the appellant’s case and in law, the Ld. CIT(A) erred in sustaining the disallowance of Rs.8,75,043/- out of interest expenses of Rs.15,84,500/- made by the Ld. AO in the assessment order.”

2. At the outset, the Ld. counsel for the assessee submitted that sole grievance relates to disallowance of interest expenses at Rs.8,75,043/- and Ld. CIT(A) did not appreciate the fact that the assessee possessed sufficient capital and accumulated reserves to cover up the alleged interest free advances. He further prayed that one more opportunity may be provided to go before the ld. CIT(A) to present necessary facts so as to prove that no interest bearing funds were applied for giving the interest free loans and advances.

3. Learned Departmental Representative (Ld. DR) though supported the order of both the lower authorities confirming the disallowance of interest expenditure however he did not opposed the request for the Ld. counsel for the assessee of setting aside the issue to the file of Ld. CIT(A) for afresh adjudication.

4. We have heard the rival contentions and perused the record placed before us. Assessee's sole grievance relates to disallowance of interest expenditure at Rs.8,75,043/-. Request has been made by the Ld. counsel for the assessee for setting aside the issue raised in this appeal to the file of Ld. CIT(A) for afresh adjudication by submitting that at the close of the year under appeal assessee's share capital stood at Rs.80,00,000/- and accumulated reserves and surplus are at Rs.446.80 lacs, which cumulatively are sufficient to cover the alleged interest free loans and advances which were claimed to have given for commercial expediency. Ld. Authorized Representative (AR) also contended that Ld. CIT(A) has not considered this fact while giving the findings.

5. We therefore in the given facts and in the interest of justice accept the request of the ld. counsel for the assessee which goes unopposed by Ld. DR and accordingly set aside the issue raised in this appeal to Ld. CIT(A) for afresh adjudication. Needless to mention that proper opportunity of being heard should be provided to the assessee for placing on record necessary material and financial statement in order to satisfy the Ld. CIT(A) that no interest bearing funds were utilized to give interest free

loans and advances and the alleged loans and advances are given for commercial expediency.

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

Order was pronounced in the open court on 16 .01.2019.

Sd/-
(KUL BHARAT)
JUDICIAL MEMBER

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

Indore; दिनांक Dated : 16/01/2019

Patel. P. S./नि.स.

Copy to: Assessee/AO/Pr. CIT/ CIT (A)/ITAT (DR)/Guard file.

By order
Assistant Registrar