

**IN THE INCOME TAX APPELLATE TRIBUNAL "SMC", BENCH
MUMBAI**

BEFORE SHRI R.C.SHARMA, ACCOUNTANT MEMBER

**ITA No. 911/Mum/2019
(Assessment Year: 2011-12)**

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|---|-----|---|
| Matoshree Infrastructure Pvt. Ltd., 102, Aditi Building, Shivsena Bhavan Path, Dadar (W), Mumbai- 400028. | Vs. | I.T.O. Ward-7(2)(1) Aayakar Bhavan, Maharshi Karve Road, Chuchgate, Mumbai-400020 |
| PAN/GIR No. AAFCM 2002 G | | |
| (Appellant) | .. | (Respondent) |

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|------------------------------|------------------------------|
| Assessee by | Neelam C Jadhav (AR) |
| Revenue by | Shri R.K. Gubgotra (JCIT-DR) |
| Date of Hearing | 06/02/2020 |
| Date of Pronouncement | 10/02/2020 |

आदेश / ORDER

PER: R.C. SHARMA, A.M.

This appeal by the assessee is directed against the order dated 31/10/2018 of Id. CIT(A)-13, Mumbai for the A.Y. 2011-12 in the matter of order passed U/s 143(3) of the Income Tax Act, 1961 (in short, the Act).

2. In this appeal, the assessee is aggrieved for the disallowance made U/s 14A of the Act.

3. Rival contentions have been heard and record perused. Facts in brief are that the assessee company is engaged in property development business. The assessment of the company resulted in

addition of Rs. 6,32,483/- to the returned income. The addition represents disallowance of expenses of Rs. 6,32,483/- invoking the provision of Section 14A. The said disallowance is confirmed by the Id. CIT(A).

4. From the record I found that the disallowance has been made by the A.O. giving reasoning that the assessee has taken unsecured loans of Rs. 2.97 crores and is paying interest on loan of Rs. 1.19 crores. Accordingly, he disallowed proportionate interest U/s 14A. As per P&L account the assessee has only claimed interest of Rs. 14,292/-. While invoking provisions of Section 14A of the Act, the disallowance cannot be more than the expenditure claimed. In the instant case, as per the audited accounts, the assessee has only incurred expenditure on account of payment of interest to the extent of Rs. 14,292/-. Accordingly, I direct the A.O. to again verify the facts and restrict disallowance U/s 14A of the Act to the extent of Rs. 14,292/-. I direct accordingly.

5. In the result, appeal of the assessee is allowed in part.

Order pronounced in the open court on 10th February, 2020.

Sd/-
(R.C.SHARMA)
ACCOUNTANT MEMBER

Mumbai; Dated 10/02/2020

*Ranjan

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. The CIT(A), Mumbai.
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

BY ORDER,

सत्यापित प्रति //True Copy//

(Asstt. Registrar)
ITAT, Mumbai