

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, AHMEDABAD
[CONDUCTED THROUGH VIRTUAL AT AHMEDABAD]**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER &
Ms. MADHUMITA ROY, JUDICIAL MEMBER**

I.T.A. No. 2451/Ahd/2018
(Assessment Year: 2012-13)

The Cambay Investment Corp. Ltd. C/303-306, Supath-II, Near Vadaj Bus Terminus, Ashram Road, Ahmedabad-380013	Vs.	ITO, Ward-1(1)(3), Ahmedabad-380015
[PAN No. AACT5731C]		
(Appellant)	..	(Respondent)

Assessee by :	Shri Sakar Sharma, A.R.
Revenue by :	Shri R. R. Makwana, Sr. DR

Date of Hearing	11.03.2022
Date of Pronouncement	30.03.2022

ORDER

PER Ms. MADHUMITA ROY - JM:

The instant appeal filed by the assessee is directed against the order dated 15.10.2018 passed by the Commissioner of Income Tax (Appeals)-1, Ahmedabad arising out of the order dated 25.10.2017 passed by the ITO, Ward-1(1)(3), Ahmedabad under Section 143(3) r.w.s. 147 of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) for A.Y. 2012-13.

2. We have heard the rival submissions made by the respective parties and we have also perused the relevant materials available on record.

3. The assessment of the assessee was finalized under Section 143(3) of the Act on 29.12.2014 assessing income of Rs. 11,06,764/-. Subsequently, upon perusal of the Profit & Loss Account and the balance sheet and computation of total income it was found that the appellant had made a turnover of Rs. 45.09 crore on which profit of Rs. 10,91,977/- being 0.24% was declared. The assessee has paid interest of Rs. 81,75,700/-. It has made average investment of Rs. 3,36,63,865/- and earned dividend income of Rs. 10,21,369/-. Finally the said income of the assessee was re-assessed under Section 147 of the Act and applying the provision of Section 14A r.w. Rule 8D the Ld. AO disallowed Rs. 17,30,594/- which was appealed before the Ld. CIT(A). It is relevant to mention that the assessee suo moto disallowed Rs. 4,144/- under Section 14A r.w. Rule 8D of the Act.

4. The Ld. CIT(A) restricted the disallowance made under Section 14A r.w. Rule 8D(2)(iii) to the dividend income of Rs. 10,21,369/- following the judgment of the Coordinate Bench in the case of Chudgar Ranchhodlal Jethalal vs. DCIT in ITA No. 245/Ahd/2013.

5. At the time of hearing of the instant appeal the Ld. Counsel appearing for the assessee candidly submitted before us that in the event the disallowance made by the Ld. CIT(A) is accepted by us then the suo moto disallowance of Rs. 4,144/- may be adjusted with the same.

6. The Ld. DR has, however, not made any contrary submission to them.

- 3 -

7. Having heard the Ld. Counsel appearing for the parties and having regard to the facts and circumstances of the case we are of the considered opinion to disposed of this appeal with a direction upon the Ld. AO to grant relief to the assessee upon adjusting the suo moto disallowance of Rs. 4,144/- with the disallowance made by the Ld. CIT(A) of Rs.10,21,369/-. Assessee's appeal is, therefore, partly allowed.

6. In the result, the appeal preferred by the assessee is partly allowed.

This Order pronounced in Open Court on	30/03/2022
---	-------------------

Sd/-
(WASEEM AHMED)
ACCOUNTANT MEMBER

Ahmedabad; Dated 30/03/2022

TANMAY, Sr. PS

TRUE COPY

आदेश की प्रतिलिपि अग्रहित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त(अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

Sd/-
(Ms. MADHUMITA ROY)
JUDICIAL MEMBER

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad