

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” “A” BENCH, BENGALURU**

Before Shri B.R. Baskaran, Accountant Member

ITA No. 690/Bang/2020
(Assessment Year: 2015-16)

M/s. Simplex Naigai Castings P. Ltd. No. 116-C/1, KHB Colony, 5th Block, Koramangala Bengaluru 560034	Vs.	The Income Tax Officer Ward - 6(1)(2) Bengaluru
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PAN – AAUCS0627G

Appellant

Respondent

Appellant by:	Shri Sreehari Kutsa
Respondent by:	Shri Ganesh R. Ghale Standing Counsel for Revenue

Date of Hearing:	01.06.2022
Date of Pronouncement:	01.06.2022

ORDER

Per: B.R. Baskaran, A.M.

The assessee has filed this appeal challenging the order dated 28-02-2020 passed by Ld CIT(A)-6, Bengaluru and it relates to the assessment year 2015-16. The assessee is aggrieved by the decision of Ld CIT(A) in confirming the addition of Rs.40,78,335/-, which has resulted in assessing interest income separately under the head income from other sources. The assessee has also raised a legal ground contending that the assessment is bad in law as the AO has exceeded his scope and there is lack of jurisdiction.

2. At the time of hearing, the Ld Counsel appearing for the assessee Shri Srihari Kutsa submitted that the assessee is facing financial problems and

hence it is not affording proper assistance to him. Accordingly he submitted that he is unable to make any representation on the issues contested by the assessee. In view of the submissions so made by Ld Counsel for the assessee, I proceed to dispose of the appeal on merits on the basis of materials available on record and after hearing Ld D.R.

3. I heard Ld D.R and perused the record. The assessee is engaged in the business of manufacturing aluminium castings metals, pipes, rods etc. The assessee had kept deposit of Rs.6.91 crores as fixed deposit with Karur Vysya Bank and received interest income of Rs.47,49,673/-. The assessee had incurred expenses of Rs.37,15,365/-. The assessee filed its return of income declaring total income of Rs.6,71,340/-, which was arrived at after deducting expenses from the interest income of Rs.47,49,673/-.

4. The assessee was in the process of setting up of a plant. The AO took the view that the interest income is assessable under the head "Income from other sources" and the business loss claimed by the assessee should be capitalised. Accordingly he computed NIL income under the head business. Accordingly, the AO assessed entire interest income of Rs.47,49,673/- under the head income from other sources. The Ld CIT(A) confirmed the assessment of interest income following the decision rendered by Hon'ble Supreme Court in the case of Tuticorin Alkali Chemicals & Fertilisers Ltd (1997) (227 ITR 172)(SC).

5. I notice that the Ld CIT(A) has confirmed the assessment by following the decision rendered by Hon'ble Supreme Court. Accordingly, I do not find any reason to interfere with the order passed by Ld CIT(A).

6. Though the assessee has raised a legal ground challenging the scope of assessment proceedings, no material was placed before me in support of the said ground. Accordingly, I reject the same.

7. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the open Court on 1st June, 2022.

Sd/-
(B.R. Baskaran)
Accountant Member

Bengaluru, Dated: 1st June, 2022

Copy to:

1. *The Appellant*
2. *The Respondent*
3. *The CIT(A) -6, Bengaluru*
4. *The Pr.CIT - 6, Bengaluru*
5. *The DR, ITAT, Bengaluru*
6. *Guard File*

By Order

//True Copy//

Assistant Registrar
ITAT, Bengaluru

n.p.