

आयकर अपीलीय अधिकरण “बी” न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, CHENNAI

माजनीय श्री महावीर सिंह, उपाध्यक्ष एवं
माजनीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।
BEFORE HON'BLE SHRI MAHAVIR SINGH, VP AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं. ITA No.272/Chny/2023
(निर्धारण वर्ष / Assessment Year: 2012-13)

M/s. Abhaichand Vendravan (HUF) 500, R.G. Street Coimbatore-641 001.	बनम / Vs.	ITO Non-Corporate Ward-1(4) Coimbatore.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No.	AACHA-0156-M	
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	Shri N. Arjun Raj (C.A)-Ld.AR
प्रत्यर्थीकी ओरसे/ Respondent by	:	Shri D. Hema Bhupal (JCIT)- Ld. DR

सुनवाईकी तारीख/ Date of Hearing	:	22-06-2023
घोषणाकी तारीख / Date of Pronouncement	:	22-06-2023

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aggrieved by confirmation of disallowance u/s 14A for Rs.20.58 Lacs for Assessment Year (AY) 2012-13, the assessee is in further appeal before us. The impugned order has been passed by learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] on 04-01-2023 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) r.w.s. 263 of the Act on 26-12-2017. Having heard rival submissions and after perusal of case records, the appeal is disposed-off as under. The

assessee being resident HUF is stated to be engaged in money lending business.

2. During assessment proceedings, it transpired that the assessee maintained common pool of funds and it paid interest of Rs.181.03 Lacs. The assessee made investment in equity shares and earned exempt income of Rs.4.59 Lacs. Accordingly, Ld. AO proceeded to compute disallowance u/s 14A. The assessee submitted that no expenditure was incurred to earn the exempt income. However, rejecting the same, Ld. AO applied Rule 8D and computed aggregate disallowance of Rs.20.58 Lacs which was interest disallowance u/r 8D(2)(ii) for Rs.18.55 Lacs and indirect expenditure disallowance u/r 8D(2)(iii) for Rs.2.03 Lacs. The income was thus computed at Rs.20.58 Lacs. The Ld. AO further noted that the assessee had carry forward of losses to the extent of Rs.16.07 Lacs and considering the assessed income, there would be no carry forward loss for future years. The Ld. CIT(A) upheld the action of Ld. AO against which the assessee is in further appeal before us.

3. The submissions of Ld. AR are limited i.e., the disallowance should be restricted to the extent of exempt income earned by the assessee during the year. Concurring with the same, we direct Ld. AO to restrict the disallowance to the extent of exempt income earned by the assessee during the year. Another plea is the correct computation of carry forward of losses. It would be suffice on our part to direct Ld. AO to re-compute the carry forward and set-off of losses in accordance with law. The assessee is directed to provide necessary computations, in this regard. No other ground has been urged before us.

4. The appeal stand allowed to the extent indicated in the order.

Order pronounced on 22nd June, 2023.

Sd/-
(MAHAVIR SINGH)
उपाध्यक्ष / **VICE PRESIDENT**

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :22-06-2023
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकरआयुक्त/CIT 4.
विभागीयप्रतिनिधि/DR 5. गार्डफाईल/GF