

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE "A" BENCH : PUNE

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

I.T.A.No.1367/PUN./2023

Assessment Year 2017-2018

Jhala Jairaj Manharsinh HUF, Office No.301, Rushiraj House, Kulkarni Baug, Patil Lane No.2, NASHIK – 422 005. Maharashtra. PAN AAEHJ5828F	vs.	The ACIT, Circle-1, Income Tax Office, Gadkari Chowk, Old Agra Road, NASHIK – 422 002. Maharashtra.
(Applicant/Appellant)		(Respondent)

For Assessee :	Shri Sanket Joshi
For Revenue :	Shri Ramnath P Murkunde

Date of Hearing :	06.05.2024
Date of Pronouncement :	14.05.2024

ORDER

PER SATBEER SINGH GODARA, J.M. :

This assessee's appeal for the assessment year 2017-2018, arises against National Faceless Appeal Centre [in short the "NFAC"] Delhi's Din and Order No. ITBA/NFAC/S/250/2023-24/1057048599(1), dated 13.10.2023, in proceedings u/s.144 of the Income Tax Act, 1961 (in short "the Act").

Heard both the parties. Case file perused.

2. The assessee pleads the following substantive grounds in the instant appeal :

1. *“The learned CIT(A) erred in confirming the disallowance of Rs.1,53,94,756/- towards interest cost incurred for earning interest income credited to profit and loss account without appreciating that the said disallowance was not justified on facts and in law.*
2. *The learned CIT(A) failed to appreciate that the fact that the interest expenditure of Rs.1,53,94,756 was incurred in respect of loans borrowed for the purposes of earning the interest income on loans advanced to various parties was evident from the ITR and financial statements filed for A.Y.2017-18 which were available on record of the A.O. and hence, the disallowance made by the A.O. in the asst, order passed u/s.144 was arbitrary and unjustified on facts of the case.*
3. *Without prejudice to the above grounds, the appellant undertakes to make proper compliance before the A.O. if one more opportunity of hearing is granted in the interest of justice and hence, it is prayed that the matter may please be set aside to the file of the A.O. for passing the asst, order after proper appreciation of facts already available on his record.*
4. *The appellant craves, leave to add, alter, amend and delete any of the above grounds of appeal.”*

3. It emerges during the course of hearing that so far as the assessee's instant sole substantive grievance challenging both the learned lower authorities action disallowing interest expenditure of Rs.1,53,94,756/- is concerned; it neither had filed all the relevant details during the course of assessment nor in the lower appellate proceedings. Learned counsel's case in light of all these facts is that the assessment hereinabove dated 26.09.2019 had been framed ex-parte whereas majority of the lower appellate proceedings took place in the course of Covid-2019 pandemic outbreak. Mr. Joshi's case in light of all these facts is that assessee is very much ready to prove it's case if afforded a fresh innings involving three effective opportunities.

4. Mr. Murkunde vehemently supported both the learned lower authorities respective findings holding the assessee to have all along been negligent and non-cooperative in filing the relevant details u/sec.57(iii) of the Act.

5. We have given our thoughtful consideration to the foregoing rival stands and are of the opinion in the larger interest of justice that the assessee deserves one more effective innings before the NFAC so as to enable it to file all the relevant details for the purpose of claiming the impugned sec.57(iii) deduction regarding it's income declared from "other" sources. The NFAC shall adjudicate the matter afresh

within three effective opportunities of hearing subject to the rider that it is the assessee's sole risk and responsibility to prove the case in consequential proceedings. Ordered accordingly.

6. This assessee's appeal is allowed for statistical purposes in above terms.

Order pronounced in the open Court on 14.05.2024.

Sd/-
[INTURI RAMA RAO]
ACCOUNTANT MEMBER

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Pune, Dated 14th May, 2024

VBP/-

Copy to

1.	The applicant
2.	The respondent
3.	The Pr. CIT, Pune concerned
4.	D.R. ITAT, "A" Bench, Pune.
5.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,
Pune.