

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "B", PUNE

BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.1441/PUN/2023

निर्धारण वर्ष / Assessment Year : 2020-21

M/s. Verstar Technologies LLP, Flat No.C-602, Copa Cabana Forteleza, FP 72 CTS 210, Kalyani Nagar, Pune 411 014 Maharashtra PAN : AAQFV5146C	Vs.	ACIT, Circle-7, Pune
Appellant		Respondent

Assessee by : Shri Sanket Joshi
Revenue by : Shri Sourabh Nayak
Date of hearing : 22.07.2024
Date of pronouncement : 23.07.2024

आदेश / ORDER

PER INTURI RAMA RAO, AM:

This is an appeal filed by the assessee directed against the order of the National Faceless Appeal Centre, Delhi ['NFAC'] dated 06.11.2023 for the assessment year 2020-21.

2. Briefly, the facts of the case are that the assessee is a partnership firm engaged in the business of Real Estate and Renting Services. The Return of Income for the A.Y. 2020-21 was filed on 31.12.2020 declaring Nil income. Against the said return of income, the assessment was completed by the Assessment Unit (NFAC) vide order dated 28.09.2022 at a total income of Rs.3,63,78,090/-. While doing so, the Assessment Unit (NFAC) denied the grant of depreciation on

the cost of Goodwill of Rs.16,62,99,840/- by holding that the assessee had not incurred any cost for acquisition of the Goodwill, with which we are not concerned. However, the Assessment Unit/NFAC had not set off the brought forward business depreciation loss as well as the current year losses against the assessed income as claimed by the appellant company.

3. Being aggrieved, an appeal was filed before the CIT(A)/NFAC who vide impugned order, without dwelling into the issues, summarily rejected the claim of the assessee firm.

4. Being aggrieved, the assessee is in appeal before the Tribunal in the present appeal.

5. At the outset, the Id. Authorised Representative for the assessee did not press the Grounds of appeal Nos. 2 to 4. Accordingly, these grounds are dismissed as 'not pressed'.

6. The only ground of appeal which survives for our adjudication is the ground challenging the action of the lower authorities in not setting off the brought forward losses and the current year losses against the assessed income.

7. The Id. Authorised Representative for the assessee points out that the assessee filed the return of income declaring Nil income. The Id. AR took us through the intimation passed u/s.143(1) of the Act for the A.Y. 2019-20 placed at pages 95 to 102 of the paper book and submits that there was brought forward loss of Rs.96,22,842/- for the A.Y. 2019-20, liable for set off against the current assessed income. Similarly, he submits that for the A.Y. 2020-21 the assessee has returned loss of Rs.2,88,61,964/- as per the acknowledgement of return of income placed at page 8 of the paper book. The Assessment

Unit/NFAC, instead of proceedings with the returned loss of Rs.2,88,61,964/- assumed the returned income as Nil. Thus, he submits that the Assessment Unit/NFAC had wrongly assessed the total income at Rs.3,63,78,090/-.

8. On the other hand, the Id. DR also submitted the computation statement showing total income based on the information available on record and he expressed agreement with the submissions advanced by the Id. AR for the assessee.

9. We heard the rival submissions and perused the material on record. The only issue that survives in the present appeal relates to set off of brought forward business loss of Rs.96,22,842/- and adopting of the returned loss as a base figure for computing the assessed income for the year under consideration. This is purely a factual issue and therefore, matter requires remission to the file of Assessment Unit/NFAC. Therefore, we remand the matter back to the file of Assessment Unit/NFAC to re-compute the assessed income by taking the returned loss as a base figure and then set off of the brought forward business loss, if any, after due verification.

10. In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

Order pronounced on this 23rd day of July, 2024.

sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Pune / Dated : 23rd July, 2024.
Satish

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "B" बेंच,
पुणे / DR, ITAT, "B" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.