

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ में
IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM

BEFORE
SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER
&
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

SA No.10 to 14/Viz/2025
(Arising out of ITA No.23 to 27/Viz/2025)
(निर्धारण वर्ष / Assessment Year: 2013-14 to 2017-18)

KBR Constructions and Leasings Vs. Income Tax Officer
Vijayawada Ward-2(3)
[PAN :AAHFK9477C] Vijayawada
अपीलार्थी / Appellant प्रत्यर्थी / Respondent

आ.अपी.सं / ITA No23 to 27/Viz/2025
(निर्धारण वर्ष / Assessment Year: 2013-14 to 2017-18)

KBR Constructions and Leasings Vs. Income Tax Officer
Vijayawada Ward-2(3)
[PAN :AAHFK9477C] Vijayawada
अपीलार्थी / Appellant प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri G.V.N.Hari, AR
राजस्व द्वारा/Revenue by: Dr.Aparna Villuri, DR

सुनवाई की तारीख/Date of hearing: 19/03/2025
घोषणा की तारीख/Pronouncement on: 19/03/2025

आदेश / ORDER

PER MADHUSUDAN SAWDIA, A.M.:

All these appeals are filed challenging the separate orders dated 21/11/2024 and 18/11/2024 passed by the learned Commissioner of Income

Tax (Appeals), [learned CIT(A)], National Faceless Appeal Centre (NFAC), Delhi in the case of KBR Constructions & Leasings (“the assessee”) for the assessment year 2013-14 to 2016-17 and 2017-18 respectively along with stay applications. Since the grounds involved in these appeals are identical, these appeals were heard together and a consolidated order is being passed for the sake of convenience as under, taking up ITA No.23/Viz/2025 for the A.Y.2013-14 as lead appeal.

2. Brief facts of the case as submitted before us are that the assessee derived rental income on property let out to Reliance group of companies. For the assessment years 2013-14 to 2017-18, assessee had declared income from house property. Learned Assessing Officer found that for the assessment year 2020-21, the assessee declared the income as income from other sources and the same was accepted. Going by the discussion in that respect, learned Assessing Officer recomputed the income for these years as income from other sources.

3. Aggrieved by the order of the learned Assessing Officer, the assessee filed appeal before the learned CIT(A). As far as the claim of the assessee, regarding the mistake in computation sheet was concerned, the learned CIT(A) has directed the learned Assessing Officer to rectify the mistake of computation sheet, which is not in conformity with the income computed as per the order of learned Assessing Officer. However, regarding the claim of the assessee on account of claim of interest expenses, the learned CIT(A) dismissed the claim on the ground that the assessee failed to furnish the supporting evidences.

4. Aggrieved by the order of the learned CIT(A), the assessee carried this matter to the Tribunal, stating that while computing income from other sources for the assessment year 2020-21, the learned Assessing Officer allowed relevant expenditure, but in so far as the recomputation of income for these assessment years 2013-14 to 2017-18 is concerned, it missed the attention of the learned Assessing Officer. Learned counsel for the assessee further submitted that the learned Assessing Officer did not allow deduction towards interest on borrowed capital incurred wholly and actually for earning the rental income. His limited prayer is that the learned Assessing Officer may

be directed to consider the interest expenditure that was incurred to earn income.

5. Learned DR vehemently opposed the prayer of the assessee, stating that when the learned CIT(A) granted sufficient opportunity for production of relevant material, the assessee failed to file the same and therefore, does not open for the assessee to seek remand of the matter to the file of the learned Assessing Officer.

6. We have gone through the record in light of the submissions made on either side. There is no dispute that for the A.Y.2020-21, the assessee declared income from other sources and the learned Assessing Officer accepted the income from other sources, allowing relevant expenditure. But for the impugned assessment year under consideration, the learned Assessing Officer computed the income from other sources without allowing deduction towards interest on borrowed capital incurred wholly and actually for earning the rental income. With this view of the matter, we accept the contention of the assessee, set aside the impugned order and restore the appeal to the file of the learned Assessing Officer to reexamine the same and take a plausible view according to law after affording opportunity of being heard. Grounds are answered accordingly.

7. The facts and issues involved in the appeals filed by the assessee for assessment years 2014-15 to 2017-18 are identical to the facts and issues, which we had considered in ITA No.23/Viz/2025 for the A.Y.2013-14. Therefore, the reasons given by us in preceding Para No.5 shall mutatis mutandis apply to these appeals, as well. Therefore, for similar reasons, we set aside the order passed by the learned CIT (A) and restore the issue back to the file of the Assessing Officer for fresh consideration. The Assessing Officer is directed to reconsider the issue in light of our discussion given herein above and decide the case of the assessee for the impugned assessment years 2014-15 to 2017-18 as well.

8. In addition to the above, we found that the learned Assessing Officer in the computation sheet has taken incorrect total income, which is over and above the total income computed as per assessment order. As far as

assessment year 2013-14 to 2016-17 is concerned, the learned CIT(A) has directed the learned Assessing Officer to rectify the mistake of computation sheet which is not in conformity with the income computed as per the order of learned Assessing Officer. However for the assessment year 2017-18, the learned CIT(A) has missed to make such direction. Hence for the assessment year 2017-18, we direct the learned Assessing Officer to rectify the mistake of computation sheet which is not in conformity with the income computed as per the order of learned Assessing Officer.

9. Since the appeals were taken up for hearing on merits, stay applications filed by the assessee become infructuous, hence dismissed.

10. In the result, stay applications are dismissed and the appeals filed by the assessee for the assessment years 2013-14 to 2017-18 are allowed for statistical purpose.

Order pronounced in the open court on this the 19th day of March, 2025.

Sd/-

(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,

Dated: 19/03/2025

L.Rama, SPS

Sd/-

(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Copy forwarded to:

1. M/s KBR Constructions & Leasings, D.No.64-9-14, Main Road, Patamata Lanka, Vijayawada
2. The Income Tax Officer, Ward-2(3), Vijayawada
3. The Pr.CIT, Visakhapatnam
4. The DR, ITAT, Visakhapatnam
5. GUARD File

TRUE COPY

SENIOR PRIVATE SECRETARY
ITAT, VISAKHAPATNAM