

- 1. Assessing Officer was not justified in working out claim of remuneration payable to partners after excluding interest income, where assessing officer stated that a part of interest income was in nature of non-business income and taxable under head 'income from other sources' but no such adjustment had been made by him while computing income from business.** On persuing the assessment order, it is found that though the Assessing Officer has stated that the interest of Rs. 8,30,979/- is in the nature of non-business income and taxable under the head 'income from other sources' but no such adjustment had been made by him while computing the income from business meaning thereby that he has accepted interest income as business income. Moreover, interest receipts in assessment years 2007-08 and 2009-10 were considered as non-business income by the Assessing Officer and thereafter after excluding it, the remuneration was worked under section 40(b)(v) but the addition made by the Assessing Officer was deleted by Commissioner (Appeals). In view of the aforesaid facts, Assessing Officer was not justified in working out the claim of remuneration payable to partners after excluding the interest income. Thus the Assessing Officer is directed to include the interest income while calculating the remuneration payable to partner under section 40(b)(v). In the result this ground of assessee is allowed. **Almac Corporation v DCIT, [2015] 154 ITD 580 (Ahemdabad – Trib).**