

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL  
'C' BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं श्री एस जयरामन, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND  
SHRI S. JAYARAMAN, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1043/Mds/2017

निर्धारण वर्ष / Assessment Year : 2013-14

The Deputy Commissioner of  
Income Tax,  
Corporate Circle – 5(1),  
Chennai - 600 034.

v. M/s Rayala Corporation Pvt. Ltd.,  
144/7, Old Mahabalipuram Road,  
Rayala Techno Park, 3<sup>rd</sup> floor,  
Kottivakkam, Chennai - 600 041.

PAN : AABCR 7230 D

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri Asish Tripathy, JCIT

प्रत्यर्थी की ओर से/Respondent by : Sh. Saroj Kumar Parida, Advocate

सुनवाई की तारीख/Date of Hearing : 12.07.2017

घोषणा की तारीख/Date of Pronouncement : 27.07.2017

### **आदेश / O R D E R**

**PER N.R.S. GANESAN, JUDICIAL MEMBER:**

This appeal of the Revenue is directed against the order of the Commissioner of Income Tax (Appeals)-3, Chennai, dated 31.01.2017 and pertains to assessment year 2013-14.

2. The first issue arises for consideration is classification of income said to be received by the assessee on letting out of property.

3. We have heard Shri Asish Tripathy, the Ld. Departmental Representative and Sh. Saroj Kumar Parida, the Ld.counsel for the assessee. In the assessee's own case for assessment year 2012-13, this Tribunal by placing reliance on the judgment of Apex Court, found that the income from letting out the property is business income. In fact, the judgment of Apex Court is in the case of assessee M/s Rayala Corporation Pvt. Ltd. v. ACIT in Civil Appeal No.6438 of 2016 dated 11.08.2016. By respectfully following the judgment of Apex Court in the assessee's own case, this Tribunal do not find any reason to interfere with the order of the lower authority and accordingly the same is confirmed.

4. The next issue arises for consideration is disallowance made by the Assessing Officer under Section 14A of the Income-tax Act, 1961 (in short 'the Act').

5. We have heard the Ld. Departmental Representative and the Ld.counsel for the assessee. The CIT(Appeals) by following this Tribunal order in the assessee's own case, directed the Assessing Officer to restrict the disallowance under Section 14A of the Act to the extent of exempted income earned by the assessee. In fact, the

Madras High Court has held an identical view. Therefore, this Tribunal do not find any reason to interfere with the order of the lower authority and accordingly the same is confirmed.

6. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced on 27<sup>th</sup> July, 2017 at Chennai.

sd/-  
(एस जयरामन)  
(S. Jayaraman)  
लेखा सदस्य/Accountant Member

sd/-  
(एन.आर.एस. गणेशन)  
(N.R.S. Ganesan)  
न्यायिक सदस्य/Judicial Member

चेन्नई/Chennai,  
दिनांक/Dated, the 27<sup>th</sup> July, 2017.

Kri.

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A)-3, Chennai-34
4. Principal CIT- 5, Chennai
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF.