

2. The grievance raised by the Revenue is as follows:-

"1. Whether, on the facts and circumstances of the case and in the law, the Id.CIT(A) has erred in allowing relief to the assessee without appreciating that mere existence of a service agreement when the assessee has failed to justify the nature of services provided by IDFC Ltd. and has failed to provide documentary evidences to establish actual supply of services does not satisfy the requirements of section 37(1) of being "wholly exclusively for the purpose of business" and therefore, could not have been allowed as expenditure."

3. At the outset itself, when this appeal was called out for hearing, Id. counsel for the assessee invited our attention to the order dated 30/06/2016 passed by the Division Bench of this Tribunal in assessee's own case for the Assessment Year 2011-12 in ITA No. 6224/MUM/2014, whereby the disallowance made by the Assessing Officer on the disputed issue was deleted by the Tribunal. Ld. counsel for the assessee has submitted that the present appeal is squarely covered by the aforesaid order of this Tribunal, copy of which is placed before the Bench for perusal.

4. Ld. Departmental Representative for the Revenue has relied on the order passed by the Assessing Officer.

5. We see no reason to take any other view of the matter than the view so taken by the Division Bench of this Tribunal in assessee's own case vide order dated 30/06/2016, in ITA No.

6224/MUM/2014 (supra). In this order, the Tribunal has *inter alia* observed as under:-

"2.2. After going through rival submissions and material on record, we find that as stated above, assessee is running his office from the same business premises wherein the holding company viz. IDFC Ltd., is also located. The stand of assessee has been that there are certain services, which by their very nature are feasible for sharing and incurring costs, based on a concept of cost centre, for which reimbursements among the group companies was found to be a better business practice for achieving cost efficiencies. Assessee has provided full details of nature of services for which costs were incurred together by all group entities based on the usage. There was no mark up while making the reimbursements by assessee, for the services rendered, to the holding company viz. IDFC Ltd. The stand of assessee has been that it has also deducted TDS at the applicable rates u/s. 194J of the Act. Having regard to all these important facts and the methodology followed by assessee for obtaining certain services and making the payments to IDFC there cannot be any doubt about the bonafide nature of services rendered by the IDFC and the payments made by assessee. It was also observed that Assessing Officer has merely stated that assessee has diverted profits to IDFC in form of payments made on account of shared services costs. However, Assessing Officer has not brought out any material to even remotely suggest as to how such a proposition or inference was made in the assessment order. It was also pointed out that similarly placed a company has also claimed the similar expenses which had not been disturbed by Assessing Officer. Thus, assessee has established the fact of receiving services from IDFC Ltd., for which Rs.45 lacs has been paid, after deducting the applicable TDS u/s. 194J of the Act. In such a situation, disallowance made by Assessing Officer was not justified and same was rightly deleted by CIT(A) by reasoned finding. This reasoned finding of CIT(A) needs no interference from our side. We uphold the same."

6. Since the issue is squarely covered in favour of the assessee by the decision of the coordinate bench of this Tribunal in assessee's own case (supra), and there is no change in facts and

law and the Revenue is unable to produce any material to controvert the aforesaid findings and the Id. CIT(A) has allowed the appeal of the assessee by following the above decision in assessee's own case, we find no reason to interfere in the order of the Id. CIT(A) and the same is hereby upheld. Therefore, the appeal filed by the Revenue is dismissed.

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

Order Pronounced in open Court on this 27th day of June, 2018.

Sd/-
(SAKTIJIT DEY)
Judicial Member

sd/-
(A.L. SAINI)
Accountant Member

Dated :27th June, 2018.

vr/-

Copy to:

1. *The Assessee - M/s. IDFC Alternatives Ltd., C-32, G-Block, Naman Chamber, Bandra Kurla Complex, Bandra East, Mumbai - 400 051*
2. *The Revenue - ACIT-1(2)(1), Room No. 535, AAYAKAR BHAVAN, M.K. Road, Mumbai - 51*
3. *The CIT-1, Mumbai.*
4. *The CIT(A)-2, Mumbai.*
5. *The D.R., Mumbai.*
6. *Guard file.*

By order

Dy./Asst. Registrar,
ITAT, Mumbai.