



IN THE INCOME TAX APPELLATE TRIBUNAL "SMC", BENCH MUMBAI

BEFORE SHRI R.C.SHARMA, AM

&

SHRI RAM LAL NEGI, JM

ITA No.7158/Mum/2017

(Assessment Year :2013-14)

M/s. Sun Investment Pvt. Ltd., JSW Centre, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	Vs.	Dy. Commissioner of Income Tax, Central Circle- 8(3), Mumbai
<b>PAN/GIR No.AAACS0389M</b>		
<b>Appellant)</b>	<b>..</b>	<b>Respondent)</b>

Assessee by	Shri Rakesh Joshi
Revenue by	Ms. N. Hemalatha
<b>Date of Hearing</b>	<b>14/06/2018</b>
<b>Date of Pronouncement</b>	<b>20/06/2018</b>

**आदेश / O R D E R**

**PER R.C.SHARMA (A.M):**

This is an appeal filed by the assessee against the order of CIT(A)-50, Mumbai dated 01/09/2017 for A.Y.2013-14 in the matter of order passed u/s.143(3) of the Income Tax Act, 1961.

2. Following grounds have been taken by the assessee:-

1. *On the facts and in circumstances of the case and in Law, the Learned CIT(A) has erred in confirming the action of Learned Assessing Officer in disallowing Foreign Travel Expenses of Rs.29,09,637, on the alleged plea that the same was not incurred wholly and exclusive for business purpose, without considering the facts and circumstances of the case.*

2. *On the facts and in circumstances of the case and in Law, the Learned CIT(A) has erred in confirming the action of Learned Assessing Officer in making an addition of Rs. 1,34,02,686 on*

*account of disallowance made u/s.14A of the Income Tax Act, 1961, while computing the Book Profit u/s.115JB of the Income Tax Act, without considering the fact and circumstances of the case.*

*3. The appellant craves leave to add, amend, alter or delete the said ground of appeal.*

3. At the outset, learned AR placed on record the order of the Tribunal in assessee's own case dated 25/04/2018, wherein both the issues have been decided in favour of the assessee restricting disallowance of foreign travelling expenses to the extent of 25%.

4. We had also carefully gone through the nature of expenditure incurred during the year under consideration on account of foreign travel. Keeping in view totality of facts and circumstances of the case, vis-à-vis travelling undertaken for the purpose of business and also following the order of Tribunal in assessee's own case, we direct the AO to restrict the disallowance to the extent of 25% of such expenses. We direct accordingly.

5. Issue with regard to addition u/s.115JB in respect of disallowance u/s.14A has also been decided by Tribunal in the very same year vide order dated 25/04/2018 after observing as under:-

*34. In the appeals filed by the assessee in the A.Y.2006-07 ITA No.777/Mum/2015, A.Y.2010-11 ITA No.778/Mum/2015 and A.Y.2011-12 ITA No.779/Mum/2015, common grounds have been taken by the assessee with regard to addition of disallowance made u/s.14A while computing book profit u/s.115JB. The issue is squarely covered by the decision of ITAT Special Bench in case of M/s. Vireet Investment Pvt. Ltd., order dated 22/06/2017 wherein it was held that while computing book profit u/s.115JB, disallowance made by the AO u/s.14A r.w.rule 8D cannot be added in assessee's book profit.*

*Respectfully following the order of the ITAT Special Bench, we do not find any justification for the additions so made on account of disallowance u/s.14A, while computing book profit u/s.115JB of the IT Act.*

6. We have carefully gone through the order of the authorities below as well as the order of the Tribunal in assessee's own case. The issue under consideration is squarely covered by the decision of the ITAT Special Bench in case of Vireet Investments Pvt. Ltd., dated 22/06/2017 and also by the decision of the Tribunal in assessee's own case. Respectfully following the same, we do not find any justification for the addition made by AO while computing book profit u/s.115JB, on account of disallowance worked out by the AO u/s.14A of the IT Act.

**7. In the result, appeal is allowed in part in terms indicated hereinabove.**

Order pronounced in the open court on this 20/06/2018

**Sd/-**  
**(RAM LAL NEGI)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(R.C.SHARMA)**  
**ACCOUNTANT MEMBER**

Mumbai; Dated 20/06/2018

Karuna Sr.PS

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. The CIT(A), Mumbai.
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

BY ORDER,

सत्यापित प्रति //True Copy//

(Asstt. Registrar)  
**ITAT, Mumbai**