



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

BEFORE SHRI SAKTIJIT DEY, JUDICIAL MEMBER

ITA no.4565/Mum./2017
(Assessment Year : 2012-13)

Copper Rollers Pvt. Ltd.
LBS Marg, Opp. Bhandup P.O.
Bhandup (West), Mumbai 400 078
PAN – AAACC1806B

..... Appellant

v/s

Asstt. Commissioner of Income Tax
Circle-15(1)(2), Mumbai

..... Respondent

Assessee by : Shri R.C. Jain
Revenue by : Shri S.K. Bepari

Date of Hearing – 11.09.2018

Date of Order – 19.09.2018

ORDER

Aforesaid appeal has been filed by the assessee challenging the order dated 22nd March 2017, passed by the learned Commissioner (Appeals)-24, Mumbai, for the assessment year 2012-13.

2. The only dispute in the present appeal relates to disallowance made of ₹ 3,02,051, under section 14A of the Income Tax Act, 1961 (for short "the Act") r/w rule 8D of the I.T. Rules, 1962.

3. Brief facts are, the assessee a company is engaged in the business of shares and securities and letting out of properties. For the assessment year under dispute, the assessee filed its return of income on 27th December 2012, declaring total income of ₹ 1,79,90,320. During the assessment proceedings, the Assessing Officer noticing that in the relevant previous year the assessee has earned exempt income of ₹ 1,42,052, called upon the assessee to explain why disallowance under section 14A r/w rule 8D should not be made. Though, the assessee objected to the proposed disallowance, however, the Assessing Officer rejecting the objections of the assessee proceeded to disallow an amount of ₹ 3,02,051 under section 14A r/w rule 8D.

4. Though, the assessee challenged the disallowance before the first appellate authority, however, it was unsuccessful.

5. The learned Authorised Representative drawing MY attention to the Profit & Loss account, computation of income and notes to the audit report submitted that the entire expenditure debited to the Profit & Loss account was disallowed by the assessee itself in the computation of income. Thus, he submitted, when the assessee itself has disallowed the entire expenditure and has not claimed any expenditure, there is no justification in making further disallowance under section 14A r/w rule 8D.

6. The learned Departmental Representative relied upon the observations of the learned Commissioner (Appeals).

7. I have considered rival submissions and perused material on record. Though, it is a fact that the assessee has debited expenditure of ₹ 61,69,442=70 to the Profit & Loss account, however, in the computation of income, the assessee itself has disallowed the entire expenditure, meaning thereby, the assessee has not claimed any expenditure at all. In fact, in Col. 17 of the audit report itself, a copy of which is at Page-2 of the paper book, it has been specifically stated that all expenses debited to the Profit & Loss account have been disallowed. In view of the aforesaid fact, no further disallowance under section 14A r/w rule 8D could have been made by the Departmental Authorities. Accordingly, I delete the disallowance of ₹ 3,02,501. Grounds raised are allowed.

8. In the result, assessee's appeal is allowed.

Order pronounced in the open Court on 19.09.2018

Sd/-
SAKTIJIT DEY
JUDICIAL MEMBER

MUMBAI, DATED: 19.09.2018

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The CIT(A);*
- (4) *The CIT, Mumbai City concerned;*
- (5) *The DR, ITAT, Mumbai;*
- (6) *Guard file.*

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

(Sr. Private Secretary)
ITAT, Mumbai