

**IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH 'D' : NEW DELHI)
(Through Video Conferencing)**

**BEFORE SHRI R.K.PANDA, ACCOUNTANT MEMBER
and
SHRI MAHAVIR PRASAD, JUDICIAL MEMBER**

ITA No. 2123/Del./2016, A.Y. : 2011-12

M/s. Trinity Insurance Brokers Pvt. Ltd.	Vs.	ITO
S.L. Poddar & Co.		Ward-16(4)
E-3A, Kanti Chandra Road,		
Bani Park		New Delhi
Jaipur		
(PAN: AABCT7656F)		

(APPELLANT)

(RESPONDENT)

ITA No. 3396/Del./2016, A.Y. : 2011-12

ITO	Vs.	M/s. Trinity Insurance Brokers (P) Ltd.
Co. Ward-25(4)		A-23, Mandakini Enclave
New Delhi		Alaknanda
		New Delhi-110019
		(PAN : AABCT7656F)

**ASSESSEE BY : Sri Kshitij Khosla & Sri Manish Malik, Adv.
REVENUE BY : Shri Umesh Katiyar, Sr. DR**

Date of Hearing : 17.08.2021

Date of Order : 19 .08.2021

ORDER

PER MAHAVIR PRASAD, JUDICIAL MEMBER :

These two cross appeals have been preferred by the assessee and the revenue and in revenue appeal following grounds have been taken :-

“1. On the facts and circumstances of the case and in law the order passed by the Ld. CIT(A) erred in deleting the addition of Rs. 4,33,06,842/- made by AO in respect of the Supervisory and Risk Management expenses.”

2. The appellant craves, leave for reserving the right to amend, modify, alter, add or forego any ground(s) of appeal at any time before or during the hearing of this appeal.”

2. This appeal has been preferred by the revenue against the order of the Ld. CIT(A) no. 392/2013-14 order dated 28th March, 2016 arising out of assessment order dated 23rd March, 2014.

3. Facts of the case are that the assessee is engaged in the business of insurance broker for life and non-life products of all insurance companies. The insurance broking activity is to assist clients to have the best quotation and best products from all life and non-life insurance companies available in the country. The assessee on behalf of the clients: obtains best quotation: and advises the clients of various products of Life and Non-Life products.

4. In the current assessment year, assessee company had earned gross brokerage income of Rs. 5,58,09,177/- against which the company had claimed Supervisory and Risk Management charges of Rs. 4,33,06,842/- and same were paid to its sister concern M/s. M.M.Carpet and Industries Ltd. of Rs. 32,84,250/- and to M/s. Trinity Global Enterprises Ltd. of Rs. 3,99,29,200/-. During the course of assessment proceedings, Ld. AO asked to the assessee to justify claim of the Supervisory and Risk Management Charges of

Rs. 4,33,06,842/- but assessee could not submit the satisfactory reply before the AO. Thus, AO made addition holding that expenses have no linkage of earning the brokerage income which is contrary to the facts.

5. Thereafter assessee preferred statutory appeal before the Ld. CIT(A). Ld. CIT(A) granted relief to the assessee holding that sister concern company is also paying the tax on the same rate question of genuineness were doubted in the case of sister concern where the AO has made addition on account of non submission of details. The sister concern could not submit the details in remand proceeding. So, Ld. CIT(A) holding the issue will be decided in the appeal of sister concern and held that in instant case the main question was that expenditure should be capitalized or not and from the fact discussed, it is clear that expenditure is not required to be capitalized and held that finding of AO that the expenditure should be capitalized cannot be accepted and granted a relief to the assessee.

6. The Ld. AR stated that in preceding year and in succeeding year same expenses were allowed in the case of the assessee. On the other hand, Ld. DR did not have anything to controvert the arguments of the assessee. In our considered opinion principle of consistency applies and in such case addition cannot be made and we do not find any merit in the appeal filed by the revenue and we

are of the opinion that Ld. CIT(A) has passed detailed and reasoned order and same does not required any kind of interference at our end.

In the result, the appeal filed by the revenue is dismissed.

Now we come to assessee appeal no. 2123/Del/2020, A.Y. 2011-12

7. In this appeal assessee has taken following grounds of appeal :-

“ 1. Under the facts and circumstances of the case the Learned CIT(A) has erred in confirming the finding of the Learned Assessing Officer for treating the amount of Rs. 60,50,000/- received on termination of lease agreement under the head income from other sources instead of income from house property.”

8. Assessee company had claimed standard deduction of Rs. 23,32,500/- u/s 24A at the rate of 30% on Rs. 77,75,000/- as per computation of income while rent portion according to rent deeds filed by the assessee during the assessment proceedings is only 17,25,000/- on which standard deduction @ 30% comes to Rs. 5,17,500/- which is allowable under the provision of the Act. The Ld. AO held that company had wrongly claimed standard deduction on compensation received from M/s Visage Ltd. of Rs. 60,50,000/- which comes to Rs. 18,15,000/- added to the total income.

9. Thereafter assessee preferred first statutory appeal before Ld. CIT(A) who confirmed action of the AO holding that appellant could not give any justification regarding claim of standard deduction. When the receipt is capital receipt then why the appellant had claimed standard deduction. In this case appellant had shown it

as revenue receipt under the head income from house property and claimed the standard deduction. Thereafter appellant has submitted that it is a capital receipt but the appellant itself has shown it as revenue receipt and claimed standard deduction. So in such circumstances, we confirm the finding of the lower authorities and do not want to interfere in the order passed by the CIT(A).

10. In our considered opinion, lower authorities have passed detailed and reasoned order same does not require any kind of interference at our end. In the result appeal filed by the assessee is dismissed.

11. In the combined result, appeal filed by both the parties are dismissed.

Order pronounced in open court on 19th day of August, 2021.

**Sd/-
(R.K.PANDA)
ACCOUNTANT MEMBER**

**Sd/-
(MAHAVIR PRASAD)
JUDICIAL MEMBER**

Dated the 19th day of August, 2021

BINITA

Copy forwarded to:

- 1.Appellant
- 2.Respondent
- 3.CIT
- 4.CIT(A)
- 5.CIT(ITAT), New Delhi.

**AR, ITAT
NEW DELHI.**