

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: 'G' NEW DELHI**

**BEFORE SHRI SAKTIJIT DEY, JUDICIAL MEMBER & DR. BRR
KUMAR, ACCOUNTANT MEMBER**

ITA No.6837/Del/2017
Assessment Year: 2012-13

Addl. CIT, Special Range-9, New Delhi.	Vs.	Tourism Finance Corporation of India Ltd., 13 th Floor, IFCI Tower, 61-Nehru Place, New Delhi-1100 19
PAN :AAACT0706D		
(Appellant)		(Respondent)

Revenue by	Shri Umesh Takyar, Sr. DR
Respondent by	Shri Sanjay Aggarwal, CA

Date of hearing	28.02.2022
Date of pronouncement	28.02.2022

ORDER

PER SAKTIJIT DEY : JUDICIAL MEMBER

This is an appeal by the Revenue against the order dated 22.12.2016 of learned Commissioner of Income-Tax(Appeals)-39, New Delhi for the assessment year 2012-13.

2. The only effective ground raised by the Revenue is as under:

“1. The on the facts and circumstances of the case, the Ld.CIT(A) has erred in not appreciating the fact that A.O made the disallowance with sec. 14A r.w.r. 8D of the IT Act.”

3. Briefly, the facts are that the assessee is a resident company stated to be engaged in long term financing and financial advisory services. For the assessment year under dispute, the assessee filed its return of income on 27.9.2012 declaring total income of Rs.37,96,56,070. In course of assessment proceedings, the Assessing Officer noticed that in the year under consideration, the assessee had earned exempt income by way of dividend amounting to Rs.69,85,231. Noticing this, the Assessing Officer called upon the assessee to explain why disallowance should not be made in terms of Rule 8D. Though, the assessee objected to the proposed disallowance, however, the Assessing Officer rejecting the submissions of the assessee proceeded to compute disallowance under Section 14A read with Rule 8D at Rs.2,17,65,423. The assessee contested the aforesaid disallowance before learned Commissioner(Appeals).

4. Being convinced with the submissions of the assessee, learned Commissioner(Appeals) restricted the total disallowance to be made under Section 14A to Rs.4,82,053.

5. We have heard Shri Sanjay Aggarwal, learned counsel for the assessee and Shri Umesh Takyar, learned Senior Departmental Representative. As could be seen from the facts on

record, as against dividend income earned of Rs.69,85,231, the assessee initially had disallowed an amount of Rs. 1 lac suo-motu under Section 14A of the Act. Subsequently, in course of assessment proceedings, the assessee filed a revised computation making disallowance of Rs.4,82,053 under Section 14A of the Act. The Assessing Officer, however, by completely dismissing the claim of the assessee proceeded to disallow expenses by applying Rule 8D. As rightly observed by the learned Commissioner(Appeals), the Assessing Officer has not recorded a proper satisfaction in terms of Section 14A(2) of the Act as to why the disallowance made by the assessee is incorrect having regard to its books of accounts. On the contrary, the assessee has fully justified the suo-motu disallowance made by it through detailed submissions furnished, both, before the Assessing Officer as well as learned Commissioner(Appeals). Moreover, considering the quantum of exempt income earned by the assessee, the disallowance made by the Assessing Officer is unreasonably excessive and has no nexus with the actual expenditure incurred by the assessee for earning the dividend income.

6. In view of the aforesaid, we do not find any infirmity in the order of learned Commissioner (Appeals). Accordingly, we uphold the same by dismissing the ground raised.

7. In the result, the appeal is dismissed.

Order pronounced in the open court on 28.02.2022.

**Sd/-
(DR. BRR KUMAR)
ACCOUNTANT MEMBER**

**Sd/-
(SAKTIJIT DEY)
JUDICIAL MEMBER**

Dated: 28th February, 2022.
Mohan Lal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi

Sl. No.	Particulars	Date
1.	Date of dictation:	28.02.2022
2.	Date on which the draft of order is placed before the Dictating Member:	28.02.2022
3.	Date on which the draft of order is placed before the other Member:	
4.	Date on which the approved draft of order comes to the Sr. PS/PS:	
5.	Date of which the fair order is placed before the Dictating Member for pronouncement:	28.02.2022
6.	Date on which the final order received after having been singed/pronounced by the Members:	
7.	Date on which the final order is uploaded on the website of ITAT:	
8.	Date on which the file goes to the Bench Clerk	
9.	Date on which files goes to the Head Clerk:	
10.	Date on which file goes to the Assistant Registrar for signature on the order:	
11.	Date of dispatch of order:	