

आयकर अपीलीय अधिकरण 'बी' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ **ITA No.3398/Chny/2019**
(निर्धारण वर्ष / **Assessment Year: 2015-16**)

Only Success Learning Technologies P. Ltd. Old No.93/2, New No.23, Indira Colony 1 st St, Ashok Nagar, Chennai – 600 083.	बनाम/ Vs.	ITO Corporate Ward-5(1), Chennai.
स्थायी लेखा सं./जीआइ आर सं./ PAN/GIR No. AAACO-7019-C		
(□ पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Appellant by	:	Shri D. Anand (Advocate) – Ld. AR
प्रत्यर्थी की ओरसे/ Respondent by	:	Shri R. Bhoopathi (JCIT) –Ld. DR
सुनवाई की तारीख/ Date of Hearing	:	03-08-2022
घोषणा की तारीख / Date of Pronouncement	:	03-08-2022

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2015-16 arises out of the order of Learned Commissioner of Income Tax (Appeals)-3, Chennai [CIT(A)] dated 26-09-2019 in the matter of assessment framed by Ld. Assessing Officer [AO] u/s.143(3) of the Act on 15-12-2018. The grounds taken by the assessee are as under:

1. The impugned order of the Commissioner of Income Tax (Appeals), Chennai 600034 is contrary to law, weight of evidence and probabilities of the case.
2. The order of the Commissioner of Income Tax- Appeals confirming the order of the Assessing Officer in restricting the deferred revenue expenditure to Rs.25,43,954/- against the claim of Rs.63,44,655/- is unlawful and not justified.

3. The expenses incurred in the earlier years were all genuine and for the promotion of the business of the company.
4. When the company sold its shares in its wholly owned subsidiary company for a good profit, it wanted to claim these expenses against the same.
5. The company's local business was doing badly and it closed its business in the Financial Year 2015-16 necessitating it to claim the maximum of deferred revenue expenditure.

As is evident, the assessee is aggrieved by restriction of deferred revenue expenditure. Having heard rival submissions and after perusal of case records, the appeal is disposed-off as under.

2. During assessment proceedings, it transpired that the assessee wrote-off an amount of Rs.96.67 Lacs out of deferred revenue expenditure of Rs.127.19 Lacs as standing as on 30.03.2014. Out of Rs.96.67 Lacs, an amount of Rs.33.22 Lacs was claimed as marketing expenses which is not subject matter of this appeal. The remaining amount of Rs.63.44 Lacs was claimed as amount written-off. However, Ld. AO held that deferred revenue expenses could be written-off only up-to 20% and therefore, the claim was restricted to 20% which resulted into disallowance of Rs.38 Lacs. The Ld. CIT(A) confirmed the same against which the assessee is in further appeal before us.

3. It is admitted position that the assessee is claiming deferred revenue expenditure in earlier years in staggered manner and following the same methodology, the assessee is entitled to claim 20% of the same in this year also. Since Ld. AO has restricted the claim to that extent, no interference is required in the orders of lower authorities.

4. The appeal stand dismissed.

Order pronounced on 03rd August, 2022.

Sd/-
(MAHAVIR SINGH)
उपअध्यक्ष / VICE PRESIDENT

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

चेन्नई / Chennai; दिनांक / Dated : 03-08-2022
EDN/-

आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकर आयुक्त (अपील)/CIT(A) 4. आयकर आयुक्त/CIT 5. विभागीय प्रतिनिधि/DR 6. गार्ड फाईल/GF