

आयकर अपीलिय अधिकरण
मुंबई पीठ “एच” मुंबई
श्री विकास अवस्थी, न्यायिक सदस्य, एवं
श्री अमरजीत सिंह, लेखाकार सदस्य के समक्ष
IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH “H” BENCH
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER &
SHRI AMARJIT SINGH, ACCOUNTANT MEMBER
आ.आ.सं. ४७४/मुंबई/२०२३ (नि.वं. २०१४-१५)
ITA No.474/MUM/2023 (A.Y.2014-15)

Kredence Multi Trading Limited
509-510, Navratan Premises Cop
Society Limited, PD Mello Road
Carnac Bunder
Mumbai-400 009

PAN No. AAACS0778A

..... अपीलार्थी / Appellant

बनाम Vs.

Assistant Commissioner of Income Tax, 6 (3) (2),
Aayakar Bhavan
Mumbai-400 020

..... प्रतिवादी / Respondent

अपीलार्थी द्वारा / Appellant by : Shri Rahul Hakani, Adv.

प्रतिवादी द्वारा / Respondent by : Smt. Anne Varghese, Sr. AR

सुनवाई की तिथि / Date of hearing : 19/04/2023

घोषणा की तिथि / Date of pronouncement : 25/04/2023

आदेश / ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (hereinafter referred to as “the CIT(A)”) dated 21.12.2022, for the assessment year 2014-15.



2. Shri Rahul Hakani appearing on behalf of the assessee submits that the grievance of assessee in appeal is against disallowance of Rs.33,57,250 u/s 14A of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) r.w.r. 8D of the Income Tax Rules,1962 (hereinafter referred to as “the Rules”). The Ld. Authorised Representative (AR) submits that during the period relevant to the assessment year under appeal, the assessee has earned dividend income exempt from tax Rs.2,83,358/-. The assessee has made suo-moto disallowance of Rs.1,09,357/- u/s 14A of the Act. The Assessing Officer (AO) invoking the provisions of Rule 8D and made further disallowance of Rs.33,57,250/-. The CIT(A) has upheld the disallowance made by the AO. The Ld. AR submitted that short prayer of the assessee is that disallowance u/s 14A of the Act may be restricted to the exempt income earned.

3. On the other hand, Smt. Anne Varghese representing the Department vehemently defended the impugned order and prayed for dismissing appeal of the assessee. Both sides heard. It is an undisputed fact that the assessee has earned exempt income of Rs.2,83,358/- during the relevant period. The AO has computed total disallowance u/s 14A r.w.r. 8D at Rs.34,66,606/-. The assessee has suo-moto disallowed Rs.1,09,357/- u/s 14A of the Act. It is no more *res-integra* that disallowance u/s 14A r.w.r. 8D cannot be more than the exempt income earned during the relevant period. Therefore, we direct the AO to restrict disallowance to the extent of exempt income earned by the assessee during the period relevant to the assessment year under appeal. Needless to say, the AO shall consider suo-moto disallowance already made by the assessee while computing total disallowance.



4. In the result, appeal of the assessee is allowed, in terms aforesaid.

Order pronounced in the open court on Tuesday the 25th day of April 2023.

Sd/-

(AMARJIT SINGH)

लेखाकार सदस्य/ACCOUNTANT MEMBER

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

मुंबई/Mumbai,

दिनांक/Dated: 25/04/2023

Mahesh R. Sonavane

प्रतिलिपी अग्रेषित of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/The Respondent.
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधी, आय. अपी. अधि., मुंबई/DR, ITAT, Mumbai
5. गार्ड फाईल/Guard file.

BY ORDER,

//True Copy//

(Dy. /Asst. Registrar)/
Sr. Private Secretary
ITAT, Mumbai