

IN THE INCOME TAX APPELLATE TRIBUNAL  
NAGPUR "SMC" BENCH : NAGOOR

[THROUGH VIRTUAL HEARING AT ITAT : PUNE]

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER**

I.T.A.No.98/NAG./2023  
Assessment Year 2014-2015

Tashi India Limited, 254, Pandit Ravi Shankar Shukla Marg, Civil Lines, Nagpur – 440 001. Maharashtra. PAN AA ACT6366P	vs.	DCIT, Circle-2, Aayakar Bhavan, Civil Lines, Nagpur. Maharashtra. PIN – 440 001
(Appellant)		(Respondent)

For Assessee :	Shri Rajesh Loya, C.A.
For Revenue :	Shri Abhay Y. Marathe, Sr. DR

Date of Hearing :	26.03.2024
Date of Pronouncement :	15.05.2024

**ORDER**

This assessee's appeal for assessment year 2014-2015, arise against the National Faceless Appeal Centre [in short the "NFAC"] Delhi's Din and Order No.ITBA/NFAC/S/250/2022-23/1050411553(1) dated 04.03.2023, in proceedings u/s.143(3) of the Income Tax Act, 1961 (in short "the Act").

Heard both the parties. Case file perused.

2. The assessee's sole substantive grievance herein challenges correctness of both the learned lower authorities action making sec.14A r.w. Rule 8D disallowance of Rs.3,61,731/- *inter alia* involving proportionate interest

expenditure of Rs.3,45,402/- and administrative expenditure of Rs.43,702/-; respectively. There is no dispute that the assessee had indeed derived dividend income of Rs.1,47,475/- in the relevant previous year. It had *suo motu* disallowed an amount of Rs.27,373/-.

3. I have given my thoughtful consideration to the vehement rival stands against and in support of the impugned disallowance. The assessee's first and foremost contention raised during the course of hearing is that it had non-interest bearing funds including share capital with reserve and surplus totaling to Rs.8,44,78,055/- as against the corresponding investments made of Rs.87.40 lakhs yielding the impugned exempt income(s).

4. Learned DR could hardly dispute the assessee's foregoing fund position as per its balance-sheet paper book page-18. Faced with this situation, I quote CIT vs. HDFC Bank Ltd., [2014] 49 taxmann.com 335 (Bom.) to delete the impugned proportionate expenditure disallowance of Rs.3,45,402/-.

5. The factual position is found to be altogether different so far as the impugned administrative expenditure disallowance made by both the learned lower authorities amounting to Rs.43,702/- is concerned. Learned counsel has not been able to substantiate the corresponding pleadings of

having incurred no expenditure *qua* the exempt income herein. There would not be any dispute that this last head of administrative expenditure disallowance is of indirect nature which requires the assessee to plead and prove all the relevant facts in order to claim that no such amount has been spent/incurred in the relevant previous year. I accordingly reject the assessee's instant latter substantive ground in very terms. Necessary computation shall follow in consequential proceedings as per law.

6. This assessee's appeal is partly allowed in above terms.

Order pronounced in the open Court on 15.05.2024.

Sd/-  
[SATBEER SINGH GODARA]  
JUDICIAL MEMBER

Pune, Dated 15<sup>th</sup> May, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr. CIT, Nagpur concerned
4.	D.R. ITAT, "Nagpur-SMC" Bench, Nagpur.
5.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,  
Pune.