

आयकर अपीलीय अधिकरण “सी” न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH, CHENNAI

माननीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।
BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं. ITA No.1180/Chny/2024
(निर्धारण वर्ष / Assessment Year: 2017-18)

M/s. Trustline Holdings Pvt. Ltd. 39/19, II Floor, Aspen Court, VI Main Road, R.A. Puram, Chennai-600 028.	बनाम/ Vs.	DCIT Corporate Circle-3(1), Chennai.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AACCT-0398-M		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	Shri N. Arjun Raj (Advocate)-Ld. AR
प्रत्यर्थीकी ओरसे/ Respondent by	:	Ms. R. Anita (Addl.CIT) -Ld. Sr. DR

सुनवाईकी तारीख/Date of Hearing	:	19-09-2024
घोषणाकी तारीख /Date of Pronouncement	:	19-09-2024

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order passed by Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] on 30-03-2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s 143(3) of the Act on 15-12-2019. The sole issue that fall for our consideration is disallowance u/s.14A r.w. rule 8D(2)(ii) for Rs.12.25 Lacs. Having heard rival submissions, the same is adjudicated as under.

2. Upon perusal of assessment order, it could be seen that the assessee earned exempt dividend income of Rs.17.97 Lacs and also earned exempt Long Term Capital Gains. The assessee did not offer any disallowance u/s 14A on the ground that no expenditure was incurred towards earning of exempt income. Since the assessee had closing investment of Rs.12.25 Crores, Ld. AO proceeded to compute disallowance u/r 8D(2). The direct expenses disallowance u/r 8D(2)(i) was computed as Rs.5.69 Lacs. However, the same has already been deleted by Ld. CIT(A) and the same is not the subject matter of appeal before us. The only dispute is with respect to indirect expenses disallowance u/r 8D(2)(ii) for Rs.12.25 Lacs which has been computed by Ld. AO @1% of annual average of monthly averages of value of investments yielding exempt income. The Ld. CIT(A) has confirmed the same. The only plea raised by Ld. AR is that for the purpose of computations, only those investments are to be considered which have actually yielded any exempt income during the year. The computations, in that respect, have been placed in the paper-book.

3. Applying the ratio of Delhi Tribunal Special Bench decision in the case of **M/s. Vireet Investments Private Limited (165 ITD 27)**, we accept the plea of Ld. AR and direct Ld. AO to re-compute the impugned disallowance by considering only those investments which have actually yielded any exempt income during the year. No other ground has been urged in the appeal.

4. The appeal stand allowed for statistical purposes.

Order pronounced on 19th September, 2024.

Sd/-
(MAHAVIR SINGH)
उपाध्यक्ष / **VICE PRESIDENT**

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :19-09-2024
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT Chennai.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF