

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

माननीय श्री एबी टी.वर्की, न्यायिक सदस्य एवं
माननीय श्री मनोज कुमार अग्रवाल, लखा सदस्य का समक्ष।
BEFORE HON’BLE SHRI ABY T. VARKEY, JM AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ ITA No.1856/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2018-19)

Abusha Investment & Management Services LLP 27, MylaiRamhanathan Street, Thyagaraja Nagar, Chennai – 600 017.	बनाम/ Vs.	DCIT Non Corporate Circle -7(1), Chennai.
स्थायी लेखासं./जीआइआरसं./TAN/GIR No. AAZFA-6631-N		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकी ओरसे/ Appellant by	:	Shri Ajith Kumar Chordia (CA) – Ld.AR
प्रत्यर्थीकी ओरसे/ Respondent by	:	Ms. R. Anita (Addl.CIT) -Ld. Sr. DR

सुनवाईकी तारीख/ Date of Hearing	:	26-09-2024
घोषणाकी तारीख / Date of Pronouncement	:	09-10-2024

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2018-19 arises out of the order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 09-05-2024 in the matter of an assessment framed by the Ld.AO u/s.143(3) r.w.s. 144B of the Act on 30-04-2021. The sole grievance of the assessee is confirmation of disallowance u/s 14A for Rs.403.78 Lacs.

2. The Ld. AR advanced arguments and submitted that there is no exempt income earned by the assessee and Ld. AO erred in noting the correct facts. The Ld. Sr. DR justified the addition and drew attention to the provisions of Sec. 115BBDA (2) providing that no expenditure shall be allowed in computing income by way of dividend. The written submissions have been filed in this regard. Having heard rival submissions and upon perusal of case records, our adjudication would be as under.

3. The assessee received dividend of Rs.80.15 Lacs and claimed amount of Rs.10 Lacs to be exempt. The Ld. AO proceeded to compute disallowance u/s 14A. The assessee submitted that dividend income became chargeable to tax in this year vide Sec. 115BBDA. The deduction of Rs.10 Lacs was claimed as per this Section only but the same has also been voluntarily disallowed in the computation of income. However, rejecting the same, Ld. AO applied Rule 8D and computed disallowance of Rs.413.78 Lacs u/r 8D(2)(ii) @ 1% of annual average of monthly averages of opening and closing value of the investment. After adjusting voluntary disallowance of Rs.10 Lacs, the amount of Rs.403.78 Lacs was added to the income of the assessee. The Ld. CIT(A) confirmed the same except verification of computations by Ld. AO. Aggrieved the assessee is in further appeal before us.

4. From assessee's computation of income as placed on record, it could be seen that the assessee has offered dividend income of Rs.70.15 Lacs to tax as income from other sources. It could also be seen that the amount in excess of Rs.10 Lacs i.e., Rs.70.15 Lacs has been offered to tax @10% and due taxes has been paid on the same in terms of Sec.115BBDA. It is evident that the assessee has not claimed any

expenditure or losses against this income. The taxes have been paid as per computation mechanism as provided under the statute. Therefore, no case of disallowance u/s 14A could be made out against the assessee. Hence, we delete the impugned disallowance.

5. The appeal stand allowed in terms of our above order.

Order pronounced on 9th October, 2024

Sd/-
(ABY T. VARKEY)
न्यायिक सदस्य / JUDICIAL MEMBER

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

चेन्नई Chennai; दिनांक Dated :09-10-2024
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

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