

| आयकर अपीलीय अधिकरण न्यायापीठ, मुंबई |
IN THE INCOME TAX APPELLATE TRIBUNAL
"F" BENCH, MUMBAI

BEFORE SHRI SAKTIJIT DEY, HON'BLE VICE PRESIDENT
&
SHRI NARENDRA KUMAR BILLAIYA, HON'BLE ACCOUNTANT MEMBER

I.T.A. No. 4079/Mum/2025
Assessment Year: 2017-18

Jaypee Forge Private Limited 1106 G Square Jawahar Road NR BMC Office Ghatkopar (East) Mumbai - 400077 [PAN: AAACJ1662KJ]	Vs	DCIT, Circle - 14(1)(1), Mumbai
अपीलकर्ता / (Appellant)		प्रत्यर्थी / (Respondent)

Assessee by :	Shri Aditya Ramchandran, A/R
Revenue by :	Shri Vivek Perampurna, CIT D/R

सुनवाई की तारीख / Date of Hearing : 04/08/2025
घोषणा की तारीख / Date of Pronouncement: 07/08/2025

आदेश / ORDER

PER NARENDRA KUMAR BILLAIYA, AM:

This appeal by the assessee is preferred against the order of the Id. CIT(A)/Addl./ JCIT(A)-1, Visakhapatnam [hereinafter the 'Id. CIT(A)'] dated 21/05/2025 pertaining to AY 2017-18.

2. The solitary grievance of the assessee is that the Id. CIT(A) erred in confirming the disallowance of Rs. 9,23,013/- u/s 14A r.w.r. 8D. Briefly stated the facts of the case are that the assessee filed its return of income electronically on 26/10/2017 declaring total income at Rs. 2,10,17,240/-. The return was selected for scrutiny assessment and accordingly statutory notices were issued and served upon the assessee. While scrutinizing the return of income, the AO noticed that the assessee

has claimed exemption u/s 10 of the Act totaling to Rs. 18,85,679/-. The AO found that the assessee has made a *suo moto* disallowance of Rs. 51,587/- and exempt long term capital gain of Rs. 18,34,092/-. The AO found that the assessee has made a *suo moto* disallowance of Rs. 51,587/- u/s 14A of the Act. Invoking the provisions u/s 14A r.w.r. 8D, the AO computed the disallowance at Rs. 9,74,600/- and refusing the *suo moto* disallowance, made addition of Rs. 9,23,013/-. The assessee carried the matter before the Id. CIT(A) but without any success.

3. Before us, the Id. Counsel for the assessee stated that while computing the disallowance, the AO has taken all the investments of the assessee whereas he should have considered only those investments which yielded exempt income.

Per contra, the Id. D/R strongly supported the findings of the AO.

4. We have carefully considered the orders of the authorities below. It is an undisputed fact that while invoking Rule 8D for the computation of disallowance u/s 14A of the Act, the AO has considered all the investments made by the assessee. Before us, the assessee has furnished a chart of investments which yielded exempt income. We are of the considered view that the AO should consider only those investments which yield exempt income as held by the Special Bench in the case of *ACIT v/s Vireet Investments Pvt. Ltd. (2017) 58 ITR (T.) 313*.

5. We accordingly restore the issue to the file of the AO. The assessee is directed to furnish the details of investments which yield exempt income and the AO is directed to examine the same and decide the issue afresh after affording a reasonable and adequate opportunity of being heard to the assessee.

6. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the Court on 7th August, 2025 at Mumbai.

Sd/-

**(SAKTIJIT DEY)
VICE PRESIDENT**

Sd/-

**(NARENDRA KUMAR BILLAIYA)
ACCOUNTANT MEMBER**

Mumbai, Dated 07/08/2025

**SC Sp/2*

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण, मुंबई /DR,ITAT, Mumbai,
6. गार्ड फाई/ Guard file.

आदेशानुसार/ BY ORDER
TRUE COPY

Assistant Registrar
आयकर अपीलीय अधिकरण
ITAT, Mumbai