

Axis IT&T Ltd: Section 14A Proportionate Disallowance

“(a) Proportionate expenses allowable under Section 14A of the Income Tax Act, 1961:

Exemption in this behalf was claimed by the assessee under Section 10(33) of the Act in respect of dividend income of Rs.15,78,620/-. The AO disallowed to the extent of Rs.5,27,985/-. This decision was reversed by the CIT (A) and the order of CIT (A) has been confirmed by the ITAT on the ground that the AO disallowed the expenses to the aforesaid extent only on the basis of estimation. This would, therefore, clearly be a question of fact and no question of law arises.”