

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F' : NEW DELHI

BEFORE SHRI G.D. AGRAWAL, VICE PRESIDENT AND
SHRI CHANDRA MOHAN GARG, JUDICIAL MEMBER

ITA No.375/Del/2014
Assessment Year : 2010-11

M/s Rasandik Engineering
Industries India Ltd.,
525, Ground Floor,
Udyog Vihar Phase-V,
Near Trident Hotel,
Gurgaon – 122 016.
PAN : AAACR3381A.
(Appellant)

Vs. Deputy Commissioner of
Income Tax,
Large Taxpayer Unit,
New Delhi.

(Respondent)

Appellant by : Shri Sanjay Agarwal, CA.
Respondent by : Ms. Susan D. George, Senior DR.

Date of hearing : 23.05.2016
Date of pronouncement : 27.05.2016

ORDER

PER G.D. AGRAWAL, VP :-

This appeal by the assessee for the assessment year 2010-11 is directed against the order of learned CIT(A)-LTU, New Delhi dated 28th November, 2013.

2. The grounds raised by the assessee in this appeal are against the disallowance of ₹14,38,422/- under Section 14A of the Income-tax Act, 1961 read with Rule 8D.

3. We have heard the arguments of both the sides and perused the assessment order. From the assessment order, it is clear that no dividend income was earned by the assessee during the previous year. We find this issue to be covered in favour of the assessee by the decision of Hon'ble Jurisdictional High Court in the case of Cheminvest

Limited Vs. CIT-VI in ITA No.749/2014, order dated 2nd September, 2015 and CIT-IV Vs. Holcim India P.Ltd. in ITA No.486/2014 & 299/2014, order dated 5th September, 2014, wherein Hon'ble Jurisdictional High Court has held that if there is no exempt income, then no disallowance u/s 14A of the Act can be made. Admittedly, in the case of the assessee, there is no exempt income. Therefore, respectfully following the above decisions of Hon'ble Jurisdictional High Court, we delete the disallowance of ₹14,38,422/- made by the Assessing Officer and sustained by learned CIT(A) u/s 14A of the Act. Ground Nos.1 & 2 are accordingly allowed.

4. In the result, the appeal of the assessee is allowed.
Decision pronounced in the open Court on 27.05.2016.

Sd/-
(CHANDRA MOHAN GARG)
JUDICIAL MEMBER

Sd/-
(G.D. AGRAWAL)
VICE PRESIDENT

VK.

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1. Appellant : **M/s Rasandik Engineering Industries India Ltd.,
525, Ground Floor, Udyog Vihar Phase-V,
Near Trident Hotel, Gurgaon – 122 016.**
2. Respondent : **Deputy Commissioner of Income Tax,
Large Taxpayer Unit, New Delhi.**
3. CIT
4. CIT(A)
5. DR, ITAT

Assistant Registrar