

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES : SMC : NEW DELHI

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

ITA No.4897/Del/2017
Assessment Year : 2013-14

ITO,
Ward-21(1),
New Delhi.

Vs. Rajat Fincap Pvt. Ltd.,
565, Sector 7B,
Faridabad.

PAN: AACCR3828A

Assessee By : Shri Somil Aggarwal &
Shri Lakshya, Advocates
Deptt. By : Shri Amit Jain, Sr. DR

Date of Hearing : 21.12.2017
Date of Pronouncement : 21.12.2017

ORDER

This appeal by the Revenue arises out of the order passed by the CIT(A) on 26.05.2017 in relation to the assessment year 2013-14.

2. The only issue raised in this appeal is against the deletion of addition of Rs.43,09,477/- made by the Assessing Officer u/s 14A read with Rule 8D.

3. Briefly stated, the facts of the case are that the assessee is a non-banking company. No exempt income was earned. The Assessing Officer invoked section 14A of the Act. By applying Rule 8D, he made disallowance of expenses of Rs.43,09,477/-. The Id. CIT(A) deleted this addition by observing that no exempt income was earned.

4. Having heard both the sides and perused the relevant material on record, I find that this issue is no more *res integra* in view of the judgment of the Hon'ble jurisdictional High Court in the case *Cheminvest Ltd. vs. CIT (2015) 378 ITR 33 (Del)*, wherein it has been held that if there is no exempt income, there can be no question of making any disallowance u/s 14A. Similar view has been taken by the Hon'ble jurisdictional High Court in *CIT vs. Holcim India P. Ltd. (2014) 90CCH 081-Del-HC*. In view of these binding precedents providing for not making any disallowance u/s 14A in the absence of any exempt

income, which are squarely applicable to the facts of the instant case, I uphold the view taken by the Id. CIT(A) on this issue.

5. In the result, the appeal filed by the Revenue is dismissed.

Order Pronounced in the open Court on 21.12.2017.

Sd/-

[R.S. SYAL]
VICE PRESIDENT

Dated, 21st December, 2017.

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Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT (A)
5. DR, ITAT

AR, ITAT, NEW DELHI.