

**IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH 'A', CHANDIGARH**

BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER
AND DR. B.R.R. KUMAR, ACCOUNTANT MEMBER

ITA No.633/Chd/2018
Assessment Year: 2007-08

The DCIT
Circle-4,
Ludhiana

Vs. M/s Aarti Steels Ltd.
G.T. Road, Miller Ganj
Ludhiana

PAN No. AABCA4455D

(Appellant)

(Respondent)

Assessee By : Sh. Subhash Agarwal
Revenue By : Smt. Chandrakanta

Date of hearing : 04/09/2018
Date of Pronouncement : 04/09/2018

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Revenue against the order of the Commissioner of Income Tax(A)-2 (hereinafter referred to as 'CIT(A)') dt. 02/02/2018.

2. Sole issue raised by the Revenue in this appeal is against the action of the CIT(A) in restricting the disallowance under section 14A of the Act in relation to the expenditure incurred for earning of Tax exempt dividend income to the extent of the tax exempt income earned by the assessee.

3. The Ld. CIT(A) restricted the disallowance under section 14A of the Act to the extent of tax exempt income earned by the assessee by following the decision of the Tribunal in the own case of the assessee for earlier A.Y's 2008-09 and 2009-10. The issue, admittedly, is squarely covered by various decisions of the High Courts including that of Jurisdictional Punjab and Haryana High Court in the case of CIT Faridabad v. Lakhani Marketing INC 226 Taxmann 45 (P&H)

and also by the decision of Hon'ble Delhi High Court in case of Cheminvest Ltd. Vs. CIT (2015) 378 ITR 33 (Del) and further of the Hon'ble Allahabad High Court in the case of CIT Vs. M/s Shivam Motors (P) Ltd. (2014) 272 CTR 277 (All). In view of this we do not find any infirmity in the order of the Ld. CIT(A) on this issue. There is no merit in the appeal of the Revenue and the same is accordingly dismissed.

Order dictated and pronounced in the open Court on 04.09.2018

Sd/-
(DR. B.R.R. KUMAR)
ACCOUNTANT MEMBER

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

Dated : 03.12.2018

AG

Copy to:

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