

IN THE INCOME TAX APPELLATE TRIBUNAL

“C” BENCH : BANGALORE

BEFORE SHRI ARUN KUMAR GARODIA, ACCOUNTANT MEMBER AND  
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA No. 529/Bang/2019
Assessment Year : 2014-15

The Income Tax Officer, Ward – 1 (1) (1), Bangalore.	Vs.	M/s. Axiscades Aerospace & Technologies Private Limited, No. 54, Jupiter Innovation Centre, Richmond Road, Bangalore – 560 025. <b>PAN: AACCB1728K</b>
APPELLANT		RESPONDENT
Assessee by	:	Smt. Sheetal Borkar, Advocate
Revenue by	:	Shri Pradeep Kumar, CIT (DR)
Date of hearing	:	03.07.2019
Date of Pronouncement	:	05.07.2019

**ORDER**

*Per Shri A.K. Garodia, Accountant Member*

This appeal is filed by the revenue and the same is directed against the order of Id. CIT(A)-1, Bangalore dated 04.12.2018 for Assessment Year 2014-15.

2. The grounds raised by the revenue are as under.

*“1. The order of the Learned CIT (Appeals), in so far as it is prejudicial to the interest of revenue, is opposed to law and the facts and circumstances of the case.*

*2. On the facts and in the circumstances of the case and in law, the Ld. CIT(A) erred in deleting the addition of Rs. 4,28,39,617/- made by the AO u/s 14A of IT Act 1961 read with Rule 8D of IT Rules 1962 on the basis that no exempt income was earned during the year.*

*3. For these and such other grounds that may be urged at the time of hearing, it is humbly prayed that the order of the Ld. CIT (A) be reversed and that of the Assessing Officer be restored.*

*4. The appellant craves leave to add, to alter, to amend or delete any of the grounds that may be urged at the time of hearing of appeal.”*

3. The Id. DR of revenue supported the assessment order whereas it is submitted by Id. AR of assessee that as per para no. 5.1.1 of his order, it is noted by CIT(A) that the assessee has not earned any exempt income during the present year and therefore, no disallowance can be made u/s. 14A of IT Act. He further pointed out that Id. CIT(A) has followed various Tribunal orders as noted by him in this para where the Tribunal followed the judgment of Hon'ble Delhi High Court rendered in the case of Cheminvest Ltd. Vs. CIT as reported in (2015) 378 ITR 33 (Delhi). He submitted that under these facts and legal position, the order of CIT(A) should be confirmed.
4. We have considered the rival submissions. Since the Id. DR of revenue could not show that the assessee has earned any exempt income in the present year, the issue in dispute is squarely covered in favour of the assessee by this judgment of Hon'ble Delhi High Court rendered in the case of Cheminvest Ltd. Vs. CIT (supra). Hence, we decline to interfere in the order of CIT(A).
5. In the result, the appeal filed by the revenue is dismissed.

Order pronounced in the open court on the date mentioned on the caption page.

Sd/-  
(PAVAN KUMAR GADALE)  
Judicial Member

Sd/-  
(ARUN KUMAR GARODIA)  
Accountant Member

Bangalore,  
Dated, the 05<sup>th</sup> July, 2019.  
/MS/

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|---------------|------------------------|
| 1. Appellant  | 4. CIT(A)              |
| 2. Respondent | 5. DR, ITAT, Bangalore |
| 3. CIT        | 6. Guard file          |

By order

Assistant Registrar,  
Income Tax Appellate Tribunal,  
Bangalore.