

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'A', NEW DELHI**

**Before Sh. Amit Shukla, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**ITA No. 824/Del/2017 : Asstt. Year : 2012-13**

Sh. Anil Jain, 41, UB Jawahar Nagar, New Delhi-110007	Vs	ACIT, Circle-35(1), New Delhi
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>
<b>PAN No. AAFPJ3129A</b>		

**Assessee by : Sh. Ved Jain, Adv.**

**Revenue by : Sh. Sanjay Goel, CIT DR**

**Date of Hearing: 10.02.2020**

**Date of Pronouncement: 17.02.2020**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by the assessee against the order of the Id. CIT(A)-12, New Delhi dated 13.01.2017.

2. Following grounds have been raised by the assessee:

*"1. On the facts and circumstances of the case, the order passed by the learned Commissioner of Income Tax (Appeals) [CIT(A)] is bad both in the eye of law and on facts.*

*2. On the facts and circumstances of the case, the learned CIT(A) has erred both on facts and in law in confirming the disallowance of an amount of Rs. 10,20,370/- made by the AO invoking the provisions of Section 14A read with Rule 8D.*

*3(i) On the facts and circumstances of the case, the learned CIT(A) has erred both on facts and in law in confirming the action of the AO in making disallowance rejecting the contention of the assessee*

*that no expenditure has been incurred for earning exempt income, no disallowance u/s 14A is called for.*

*(ii) That the assessee having sufficient owned funds, investments having not been made out of borrowed funds, no disallowance on account of interest can be made.*

*(iii) Without prejudice to the above and in the alternative, the disallowance under Section 14A can be made only to the extent of tax free income earned by the assessee."*

3. The relevant factors which are undisputed by both the parties as required for adjudication of the case are as under:

- A. Dividend received by the assessee - Rs.4,42,852/-.
- B. Amount disallowed by the revenue - Rs.10,20,370/-.
- C. Expenditure claimed by the assessee - Nil
- D. Own funds of the assessee - Rs.15.55 crores
- E. Funds invested - Rs.12.93 crores
- F. Whether any satisfaction as per provisions of Section 14A(2) recorded by the AO - No

4. Since no expenditure has been incurred or claimed by the assessee in relation to the income not included in total income, since the assessee has sufficient own funds which were utilized for investments & paid no interest on the funds invested and since the Assessing Officer has not expressed any dissatisfaction about the nature of expenditure claimed (in the instant case Nil), keeping in view the provisions of Section 14A, judgments of Hon'ble Supreme Court in the case of CIT Vs Reliance Industries Ltd. (CA No. 10 of 2019), Cheminvest Ltd. Vs CIT (SC), H.T. Media Vs PCIT ITA 548/2015 (Del. HC), the

addition made by the Assessing Officer is hereby directed to be deleted.

5. In the result, the appeal of the assessee is allowed.

Order Pronounced in the Open Court on 17/02/2020.

Sd/-

**(Amit Shukla)**  
**Judicial Member**

**Dated: 17/02/2020**

\*Subodh\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**ASSISTANT REGISTRAR**