

आयकर अपीलीय अधिकरण, दिल्ली न्यायपीठ “एफ”, नई दिल्ली में

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH ‘F’, NEW DELHI**

सुश्री सुषमा चावला, उपाध्यक्ष एवं श्री. ओ.पी.कांत, लेखा सदस्य के समक्ष
**BEFORE MS. SUSHMA CHOWLA, VICE PRESIDENT &
SHRI O.P.KANT, ACCOUNTANT MEMBER**

आयकर अपील सं. / ITA No.210/Del/2017

निर्धारण वर्ष / Assessment Year 2011-12

R.N.Sahni,
51, Paschim Marg,
Vasant Vihar, New Delhi-110057.
PAN-ABJPS2875D

.....अपीलार्थी / Appellant

vs

The JCIT,
Range-24, New Delhi.

..... प्रत्यर्थी / Respondent

अपीलार्थी की ओर से / Appellant by : Sh. Mohinder Singh, CA

प्रत्यर्थी की ओर से / Respondent by : Sh. Satish Kumar Gupta, Sr.DR

सुनवाई की तारीख / Date of Hearing : 20.02.2020	घोषणा की तारीख / Date of Pronouncement: 21.02.2020
---	---

आदेश / ORDER

PER SUSHMA CHOWLA, VP

The present appeal filed by assessee is against order of CIT(A)-11, New Delhi dated 20.12.2016 relating to assessment year 2011-12 against the order passed under section 143(3) of the Income-tax Act, 1961 (in short ‘the Act’).

2. The Ld.AR for the assessee moved an application for adjournment however, because of the nature of the issues involved, the adjournment application was refused.

3. The first issue which is raised by way of Ground of appeal Nos. 1 & 2 is against the disallowance made u/s 14A r.w.Rule 8D of the Income Tax Rules (in short "Rules"). The Assessing Officer had made the aforesaid disallowance in line with the provision of Rule 8D of IT Rules. However, we find from the perusal of the CIT(A)'s order itself that the CIT(A) had noted the fact the dividend income received by the assessee of Rs.10,581/- in para 4.3.1 of the appellate order. The disallowance made u/s 14A of the Act amounts to Rs.15,10,519/-.

4. The Hon'ble Delhi High Court in Cheminvest Ltd. vs CIT, 378 ITR 33 (Delhi) has held that the disallowance u/s 14A of the Act r.w. Rule 8D of the Rules cannot exceed the dividend income received by the assessee.

5. Applying the said ratio to the issue involved, we direct the Assessing Officer to restrict the disallowance made u/s 14A r.w. Rule 8D to Rs.10,581/-. Thus, Ground of appeal Nos. 1 & 2 raised by the assessee are allowed.

6. Now Coming to the 2nd issue vide Ground No.3, the assessee is aggrieved by the disallowance made out a foreign travel expenses amounting to Rs.2,45,628/-. The assessee was running a resort and had claimed travelling expenses of Rs.2,45,628/- on his trip to London. The assessee explained that the said foreign trip was made for business purposes to have a meeting with the foreign travel agent, from whom the assessee was receiving the business. The Assessing Officer disallowed the said expenditure on the ground that no documentary evidence was filed in

respect of foreign travel expenses incurred in London. The CIT(A) upheld the disallowance made. The assessee is in appeal against the same.

7. On the perusal of record, we are of the view that it is for the assessee to decide the course of its business and in the scenario of business development, the expenditure on foreign travelling merits to be allowed in the hands of the assessee. Thus, Ground No.3 raised by the assessee is allowed.

8. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open court on 21st February, 2020.

Sd/-

(O.P.KANT)
लेखा सदस्य/ACCOUNTANT MEMBER

Sd/-

(SUSHMA CHOWLA)
उपाध्यक्ष / VICE PRESIDENT

दिल्ली / दिनांक Dated : 21st February, 2020

* Amit Kumar *

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order is forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. आयकर आयुक्त(अपील) / The CIT(A)
4. मुख्य आयकर आयुक्त / The Pr. CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, दिल्ली / DR,
ITAT, Delhi
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

सहायक रजिस्ट्रार, आयकर अपीलीय अधिकरण ,दिल्ली
Assistant Registrar, ITAT, Delhi