

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI "B" BENCH: NEW DELHI**

(THROUGH VIDEO CONFERENCING)

**BEFORE SHRI ANIL CHATURVEDI, ACCOUNTANT MEMBER
AND
SHRI SANJAY GARG, JUDICIAL MEMBER**

**ITA No.3916/Del/2018
Assessment Year : 2014-15**

Addl. CIT, Special Range-9, C.R. Building, New Delhi-110002	vs	M/s Tourism Finance Corporation of India Ltd. 13 th Floor, IFCI Tower, 61, Nehru Place, Delhi-110019
		PAN-AAACT07065
APPELLANT		RESPONDENT

Appellant by	Sh. Jagdish Singh, Sr. DR
Respondent by	None
Date of Hearing	07.10.2021
Date of Pronouncement	08.10.2021

ORDER

Per Sanjay Garg, Judicial Member :

The present appeal has been preferred by the Revenue against the order dated 26.02.2018 of the Ld. Commissioner of Income Tax (Appeals)-16, New Delhi, (hereinafter referred to

‘CIT(A)’ for the Assessment Year 2014-15. The assessee has raised following grounds of appeal:-

“The Ld. CIT(A) erred in law and on the facts of the case in not appreciating the fact that Assessing Officer made the disallowance of Rs.6,37,20,660/- in accordance with sec. 14A r.w.r. 8D of the Act only.”

2. At the time of hearing nobody was appeared on behalf of the assessee. Therefore, this appeal is being decided on the basis of material available on record and after hearing the learned DR.

3. A perusal of the above ground of appeal would show that the Revenue moved this application against the action of the Ld. CIT(A) in deleting the disallowance made by the Assessing Officer u/s 14A of the Income Tax Act, 1961 (hereinafter referred to ‘the Act’) r.w.r.8D of the Income Tax Rules, 1962 (hereinafter referred to ‘the Rules’).

4. We have gone through the order of the Ld. CIT(A). The Ld. CIT(A) has given a detailed finding that the Assessing Officer has neither stated that the *suo-moto* disallowance of Rs.44,78,033/- made by the appellant was not adequate nor

found any fault in the working of the appellant. The relevant part of the order of the Ld. CIT(A) is reproduced as under:-

“I have carefully considered the finding of the Assessing Officer, submission of the appellant, case relied upon and extant law on this point. The disallowance of expenses u/s 14A r.w. Rule 8D in respect of expenses related to tax exempt income. From a plain reading of Section 14A(1) , it is clear that the objective behind the provision is to disallow only such expense which is relatable to exempt income. While there is no doubt that the method for determining amount expenditure in relation to income not includible in total income is available in Rule 8D of the Income Tax Rules, 1962. The case of the appellant, it has already disallowed Rs.44,78,033/- as expense for earning of exempt income of Rs.140,30,371/-. The AO has neither stated that this suo-moto disallowance made by the appellant is not adequate nor found any fault in the working of the appellant. The AO is required to first satisfy himself / herself before embarking on the disallowance u/s 14A r.w. Rule 8D.

The matter has been discussed in detail by CIT(A)-39, New Delhi in appeal No. 87/15-16 for the assessment year 2012-13 vide order dated 22-12-2016, wherein it was held that the appellant has not invested any interest bearing funds in investments which resulted in income not chargeable to tax. I have seen the submissions and supporting details and documents, which reveal that the appellant had own funds exceeding the borrowed funds and there is net interest income (difference between interest income and interest expenditure).

Accordingly, on the basis of facts, figures, past appellate decisions, and judicial decisions in the

matter, I find that appellant's suo moto disallowance for Rs. 44,78,033/- is reasonable. The disallowance of Rs.4478033/- is confirmed and the balance is deleted."

5. The Ld. DR has not pointed out any fault in the order of the Ld. CIT(A) warranting our interference. Moreover, it has also not been brought to our knowledge, whether any appeal has been preferred by the Department against the order of the Ld. CIT(A) on identical issue for the Assessment Year 2012-13.

6. In view of this, we do not find any reason to interfere with the above order of the Ld. CIT(A). There is no merit in the appeal of the Revenue and the same is accordingly dismissed.

7. In the result, the appeal of the Revenue stands dismissed.

Order was pronounced in the Open Court on 08/10/2021.

Sd/-

(ANIL CHATURVEDI)
ACCOUNTANT MEMBER
Delhi; Dated: 08/10/2021.

Shekhar

Sd/-

(SANJAY GARG)
JUDICIAL MEMBER

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI