

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

BEFORE SHRI CHANDRA MOHAN GARG, JUDICIAL MEMBER
AND
M.BALAGANESH, ACCOUNTANT MEMBER

ITA No.7721/Del/2019
Assessment Year: 2016-17

ACIT, Circle-11(1), New Delhi 110001	vs.	M/s Hero Wind Energy Pvt. Ltd. 201, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi 110020. PAN AADCH 1677 G
(Appellant)		(Respondent)

For Revenue:	Ms. Maimun Alam, Sr. DR
For Assessee:	Dr. Rakesh Gupta, Adv. Shri Deepesh Garg, Adv. Shri Shrey Jain, Adv.

Date of Hearing :	27.04.2023
Date of Pronouncement :	07.06.2023

ORDER

PER CHANDRA MOHAN GARG, J.M.

This appeal has been filed against the order of CIT(A)-4 New Delhi dated 15.07.2019 for AY 2016-17.

2. The Id. Senior DR supporting the action of the Assessing Officer submitted that the Assessing Officer was correct and justified in making disallowance and adding the same to the income of the assessee under section 14A of the I.T Act 1961 (for short the 'Act') r.w.r 8D of the I.T Rules 1962 which was deleted by the Id. CIT(A) without any basis therefore impugned first appellate order may kindly be set aside by restoring that of the Assessing Officer.

3. Replying to the above, the Id. counsel of assessee drew our attention towards relevant paras 6 to 6.4 of first appellate order and submitted that the Id. CIT(A) was quite correct and justified in deleting the addition by following the judgment of Hon'ble Jurisdictional High Court of Delhi in the case of Joint Investment Pvt. Ltd. vs CIT reported as 372 ITR 694 (Del.).

4. On careful consideration of above submission, first of all, from relevant part of first appellate order we note that the Id. CIT(A) noted that the appellant has suo motto disallowed the entire amount of exempt income of Rs. 5,08,788/- and thus, the assessee has not claimed any exempt income in the return of income. Thereafter, the Id. CIT(A) by referring to the judgment of Hon'ble jurisdictional High Court of Delhi in the case of Joint Investment Pvt. Ltd. vs CIT(supra) held that the disallowance u/s. 14A r.w.r 8D of the Rules cannot exceed to the exempt income and hence *suo motto* disallowance made by the assessee is reasonable and justified and no further disallowance is required to be made. We are unable to see any valid reason to interfere with the findings recorded by the Id. CIT(A) while deleting the addition and hence we uphold the same. Accordingly grounds of revenue are dismissed.

5. In the result, the appeal of revenue is dismissed.

Order pronounced in the open court on 07.06.2023.

Sd/-

(M.BALAGANESH)
ACCOUNTANT MEMBER
Dated: 07th June, 2023.

Sd/-

(CHANDRA MOHAN GARG)
JUDICIAL MEMBER

NV/-

Copy forwarded to:

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

// By Order //

Asstt. Registrar, ITAT, New Delhi