

**IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH 'C' : NEW DELHI)**

**SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER
and
SHRI YOGESH KUMAR US, JUDICIAL MEMBER**

**ITA No.4823/Del./2018
(ASSESSMENT YEAR : 2015-16)**

Addl.CIT, Spl. Range 4, vs. Innovative B2B Logistics
New Delhi. Solutions P. Ltd.,
Level-4, Rectangle 1,
Commercial Complex,
D-4, Saket,
New Delhi – 110 017.
(PAN : AABCI5215M)

**ITA No.4997/Del./2018
(ASSESSMENT YEAR : 2015-16)**

Innovative B2B Logistics vs. Addl.CIT, Spl. Range 4,
Solutions P. Ltd., New Delhi.
Level-4, Rectangle 1,
Commercial Complex,
D-4, Saket,
New Delhi – 110 017.
(PAN : AABCI5215M)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Nageshwar Rao, Advocate
Shri Akshay Uppal, Advocate
REVENUE BY : Shri Sandip Kumar Mishra, Sr. DR

Date of Hearing : 10.10.2023
Date of Order : 12.10.2023

ORDER

PER SHAMIM YAHYA, ACCOUNTANT MEMBER :

These cross appeals filed by the Revenue and assessee are directed against the order of Id. CIT (Appeals)-35, New Delhi dated 26.04.2018 pertaining to assessment year 2015-16.

2. At the outset, in this case, Id. Counsel for the assessee contended that the issue involved in both the appeals is duly covered in favour of the assessee in assessee's own case for AY 2014-15 order dated 14.07.2023.

3. In this background, we have heard both the parties and perused the records.

4. The first issue raised by the Revenue is that Id. CIT (A) erred in deleting the disallowance of Rs.2,65,12,507/- made by the AO under section 14A of the Income-tax Act, 1961 (for short 'the Act').

5. Brief facts of the issue are that AO noted from the balance sheet that the assessee had made investment of Rs.2,65,12,507/- in the shares of M/s. Noble Tradecon Private Limited and M/s. B2B Forwarding Agent Ltd. AO noted that assessee has not made any disallowance u/s 14A of the Act. The assessee was asked to explain and the assessee stated that it has not received any exempt income during the year. But the AO did not accept the plea and made the disallowance.

5. Against this order, assessee appealed before the Id. CIT (A). Ld. CIT (A) granted relief by placing reliance on the decisions of Hon'ble

Delhi High Court in Cheminvest Ltd. vs. CIT 61 taxmann.com 118 (Delhi) and CIT vs. Holcim India P. Ltd. 57 taxmann.com 28 (Delhi)

6. Against this order, Revenue is in appeal before us. We have heard both the parties and perused the records.

7. Upon careful consideration, we find that this issue is squarely covered in favour of the assessee by the decisions of Hon'ble Delhi High Court as referred above. Moreover, the same decisions have been followed by the ITAT in assessee's own case for AY 2014-15 (supra). Accordingly, this ground of the Revenue is dismissed.

8. Another issue raised by the Revenue is that the Id. CIT (A) erred in applying percentage of 6% against 12% applied by the AO in respect of disallowance of interest. On the same issue, assessee is also aggrieved that the Id. CIT (A) has reduced the percentage to 6% whereas the assessee has given interest free loan to subsidiary company and the assessee is in possession of substantial own funds and interest free unsecured loan.

9. We have heard both the parties and perused the records. The facts of the case are that somewhat similar issue is decided by the ITAT in the assessee's own case in AY 2014-15 (supra). ITAT in assessee's own case in AY 2014-15 on finding that assessee owned interest free funds were more than the interest free loan, has granted the complete relief to the

assessee. However, before us in the present assessment year, there is no clear finding that interest free funds are more than the investment made. Hence, in the interest of justice, we remit this issue to the file of AO. AO shall decide the issue afresh and if the interest free funds are more than the investment done, then no disallowance is to be made in line with the order of the ITAT as above.

10. In the result, the appeals filed by the Revenue and assessee are partly allowed for statistical purposes.

Order pronounced in the open court on this 12th day of October, 2023.

**Sd/-
(YOGESH KUMAR US)
JUDICIAL MEMBER**

**sd/-
(SHAMIM YAHYA)
ACCOUNTANT MEMBER**

**Dated the 12th day of October, 2023
TS**

Copy forwarded to:

- 1.Appellant
- 2.Respondent
- 3.CIT
- 4.CIT (A)-35, New Delhi.
- 5.CIT(ITAT), New Delhi.

**AR, ITAT
NEW DELHI.**