

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

**Before Sh. C. M. Garg, Judicial Member**

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

**ITA No. 2354/Del/2019 : Asstt. Year : 2015-16**

M/s Groz Engineering Tools (P) Ltd., Khasra No. 74/9/1/74/12/2, 74/8, Tehsil Vasant Vihar, Village Bijwasan, Najafgarh Road, New Delhi-110061 (APPELLANT)	Vs	ACIT, Circle-10(2), New Delhi (RESPONDENT)
<b>PAN No. AABCG4017H</b>		

**Assessee by : Sh. Ved Jain, Adv. &  
Sh. Aman Garg, CA**

**Revenue by : Sh. Amitabh K. Sinha, CIT-DR**

**Date of Hearing: 20.07.2023**

**Date of Pronouncement: 18.10.2023**

**ORDER**

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

The present appeal has been filed by the assessee against the order of Id. CIT(A)-4, New Delhi dated 31.01.2019.

2. Following grounds have been raised by the assessee in this appeal:

*"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 eyes of law and on facts.*

*2. On the facts and circumstances of the case learned CIT(A) has erred both on facts and in law in confirming the disallowance of Rs. 5,41,887/- made by the AO invoking the provision of section 14A of the Act.*

*3. On the facts and circumstances of the case learned CIT(A) has erred both on facts and in law in confirming the disallowance u/s 14A rejecting the contention of the assessee that in the absence of any exempt income having*

*been earned during the year, no disallowance u/s 14A is called for.*

*4. On the facts and circumstances of the case learned CIT(A) has erred both on facts and in law in confirming the disallowance rejecting the contention of the assessee that since no expenditure have been incurred by the assessee for earning any exempt income, no disallowance under section 14A is called for.*

*5. 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 rejecting the contention of the assessee that in the absence of any satisfaction having been recorded by the AO as to the contention of the assessee having not incurred any expenses for earning tax free income, no disallowance is called for under section 14A of the Act.*

*6 () On the facts and circumstances of the case learned CIT(A) has erred both on facts and in law in confirming the disallowance of Rs. 31,446/- on account of TDS paid.*

*(i) That the said disallowance has been confirmed despite the fact that the same are return filing charges paid by the assessee are allowable business expenditure. 7. The appellant craves leave to add, amend or alter any of the grounds of appeal."*

3. Ground No. 1 is general in nature.

#### **Ground No. 2 to 4**

#### **Disallowance u/s 14A:**

4. It is an undisputed fact and accepted by both the parties that the assessee has not earned any exempt income and hence, we hold that no disallowance is called for.

#### **Disallowance of Rs.31,446/- on account of TDS:**

5. In this regards, it is submitted that the AO made disallowance of Rs. 31,446/- on account of TDS paid debited to P&L Account. In this regards, it is relevant that amount of Rs. 31,446/- represents TDS return filing of Rs. 12,547/- and other

business expenditure. Hence, the AO misunderstood TDS compliance related business expenditure as TDS paid and disallowed the same. Since, these are business expenditure incurred by the assessee, hence the addition made by the AO hereby deleted.

6. In the result, the appeal of the assessee is allowed.  
Order Pronounced in the Open Court on 18/10/2023.

Sd/-

**(C. M. Garg)**  
**Judicial Member**

**Dated: 18/10/2023**

\*Subodh Kumar, Sr. PS\*

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**