

IN THE INCOME TAX APPELLATE TRIBUNAL

DELHI BENCH "H", NEW DELHI

BEFORE SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER,

AND

SHRI VIMAL KUMAR, JUDICIAL MEMBER

ITA NOS. 3226 & 3227/DEL/2024		
A.YRS. – 2009-10 & 2010-11		
ASSISTANT COMMISSIONER OF INCOME TAX, DELHI ROOM NO. 192-A, FIRST FLOOR, C.R. BUILDING, NEW DELHI – 2	VS.	M/S VIREET INVESTMENTS PRIVATE LIMITED, 12-A/3, Friends Colony West, New Delhi – 65 (PAN: AAACV2033M)
(RESPONDENT)		(APPELLANT)

Assessee by : Sh. Manish Jain, CA  
Department by : Sh. Amit Katoch, Sr. DR.

Date of hearing : 11.11.2024

Date of pronouncement : 14.11.2024

**ORDER**

**PER SHAMIM YAHYA, AM :**

The Revenue filed these 02 appeals against the separate orders of the Ld. CIT(A)/NFAC, New Delhi relating to assessment years 2009-10 & 2010-11 respectively.

2. Since following identical / common grounds have been raised in both these appeals, except the difference in figures, hence, these appeals were heard together and disposed of by this common order for the sake of convenience.

1. Whether, on the facts and circumstances of the case in law the Ld. CIT(A) has erred in deleting the addition of Rs. 17,01,767/- on account of disallowance u/s. 14A of the Act.
2. Whether, on the facts and circumstances of the case and in law the Ld. CIT(A) has erred in deleting the addition of Rs. 4,54,16,213/- on account of interest income.
3. We are taking the facts of ITA No. 3226/Del/2024 (AY 2009-10), as lead case.
4. Briefly stated facts are that assessee is a Non-Banking Financial Company duly registered with Reserve Bank of India. The assessee filed its return of income for the assessment year 2009-10 declaring an income of Rs. 1,05,51,980/- as per the normal provisions of the Act and book profit of Rs. 5,80,94,506/- computed as per the provisions of section 115 JB of the Act. The assessee completed the assessment u/s. 143(3) of the Act and made the addition of notional interest of Rs. 4,54,16,213/- on account of interest free loans and advances and disallowance of Rs. 17,01,767/- u/s. 14A of the Act in addition to a sum of Rs. 37,02,747/- already disallowed in respect of expenditure incurred in relation to earning of exempt income.
5. Against the above action of the AO, Assessee appealed before the Ld. CIT(A), who deleted the additions made by the AO by partly allowing the appeal of the assessee.
6. Against the order of the Ld. CIT(A), Revenue is in appeal before us.
7. We have heard both the parties and perused the records. Ld. Counsel for the assessee relied upon the order of the Ld. CIT(A). We find that Ld. CIT(A) in his order while deleting the addition on account of notional interest income, held as under:-

*“...Therefore, after careful consideration of the above narrated facts, circumstances of the case, the submissions of the Appellant, respectfully following binding precedent through the ratio of the order of the Hon’ble Jurisdictional High Court and jurisdictional ITAT New Delhi in the appellant’s own case of ITAT New Delhi vide order dated 16.06.2017, addition of Rs. 4,54,16,213/- on account of deemed income of the assessee is deleted and accordingly ground of the appellant company is allowed.”*

7.1 Further, Ld. CIT(A) while deleting the addition on account of disallowance u/s. 14A of the Act as business income, held as under:-

*“....Therefore, after careful consideration of the above narrated facts, circumstances of the case, the submissions of the appellant and respectfully following the ratio of the ITAT including the decision of the jurisdictional ITAT New Delhi and appellant’s own case of ITAT new Delhi i.e. Vireet Investments Pvt. Ltd. vs. CIT (Hon’ble ITAT Special Bench) ITA-502/Del/2012, addition of Rs. 17,01,767/- on account of disallowance under section 14A of the Act is accordingly deleted and grounds of the appellant company are allowed.”*

7.2 After perusing the aforesaid findings of the Ld. CIT(A) on both the issues, we find that Ld. CIT(A) has taken a correct view by relying upon the Tribunal orders in assessee’s own case as well as jurisdictional High Court order and passed a reasonable order, which in our considered opinion do not require any interference on our part. Hence, we uphold the action of the Ld. CIT(A) on both the issues and accordingly, reject the grounds raised by the Revenue. Resultantly, the Revenue’s appeal relating to AY 2009-10 stands dismissed.

8. As regards assessment year 2010-11 is concerned. Since the facts of the case are similar and identical to assessment year 2009-10, hence, our aforesaid decision given for the assessment year 2009-10 shall apply *mutatis mutandis* to the assessment year 2010-11 as well. We hold and direct accordingly. As a result, the revenue’s appeal for AY 2010-11 also stand dismissed.

9. In the result, both the Revenue's appeals are dismissed.

Order pronounced on 14/11/2024.

**Sd/-**  
**(VIMAL KUMAR)**  
**JUDICIAL MEMBER**

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

SRBHATNAGAR

**Copy forwarded to:-**

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

Assistant Registrar