

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'G': NEW DELHI  
BEFORE  
BEFORE SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER  
AND  
SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER  
ITA No. 3388/Del/2024, (A.Y.2016-17)**

DCIT Room No. 225E, C.R. Building, 2 <sup>nd</sup> floor, I. P. Estate, New Delhi	Vs.	Sara International Private Limited A-31, Sara House, Hauz Khas, New Delhi <b>PAN No: AAACS1878B</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by	Sh. Gurudev Chawla, CA
Respondent by	Sh. Piyush Tripathi, Sr. DR

Date of Hearing	06/11/2024
Date of Pronouncement	12/11/2024

**ORDER**

**PER YOGESH KUMAR U.S., JM :**

This appeal is filed by the Department against the order of Learned Commissioner of Income Tax (Appeals)/ National Faceless Appeal Centre (NFAC) for short], dated 10/01/2024 for the Assessment Year 2016-17.

2. The grounds of Appeal are as under: -

*“1. Whether in facts and circumstances of the case, Ld CIT(A) was right in allowing appeal of the assessee.*

*2. Whether in facts and circumstances of the case, the Ld. CIT(A) has erred in deleting the addition of Rs. 1,60,91,918/- made u/s 14A of the I. T. Act, 1961.”*

3. The only grievance of the Revenue in the present Appeal against the order of the Ld. CIT(A) is the deletion of the addition of Rs. 1,60,91,918/- made by the A.O. u/s 14A of Income Tax Act, 1961 ('Act' for short).

4. We have heard both the parties and perused the material available on record.

5. The Assessing Officer made disallowance of Rs. 1,60,91,918/- u/s 14A of the Act. The Ld. CIT(A) deleted the said addition based on the settled position of law in the following Judgment rendered by the Hon'ble Supreme Court in the case of State Bank of Patiala (2018) 99 com and the Judgment of Hon'ble High Court of Delhi in the case of CIT Vs. Joint Investment Pvt. Ltd. (2015) 372 ITR 69, wherein it is held that the disallowance to be restricted to the extent of exempt income earned by the Assessee. Thus, we find no error or infirmity in the order of the Ld. CIT(A) in deleting the disallowance u/s 14A of the Act. Accordingly we find no merit in the Grounds of appeal of the Revenue.

7. In the result, the Appeal of the Revenue is dismissed.

Order pronounced in open Court on 12<sup>th</sup> November, 2024

Sd/-

**(SHAMIM YAHYA)**  
**ACCOUNTANT MEMBER**

Dated: 12/11/2024

*R.N, Sr. PS*

Sd/-

**(YOGESH KUMAR U.S.)**  
**JUDICIAL MEMBER**

Copy forwarded to:

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

ASSISTANT REGISTRAR

ITAT, NEW DELHI