

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: "SMC" NEW DELHI**

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No.5837/Del/2025
Assessment Year: 2017-18

Rishikesh Barter Pvt. Ltd., A-8, Jyoti Colony, Main Loni Road, New Delhi	Vs.	Income Tax Officer, Ward-21(3), New Delhi
PAN: AAECR6571N		
(Appellant)		(Respondent)

Assessee by	Sh. Mukesh Kohli, CA
Department by	Sh. Manoj Kumar, Sr. DR

Date of hearing	29.10.2025
Date of pronouncement	29.10.2025

ORDER

This assessee's appeal for assessment year 2017-18, arises against the Commissioner of Income Tax (Appeals)/Addl./JCIT(A)-2, Lucknow's DIN order no. ITBA/APL/S/250/2025-26/1079341740(1), dated 06.08.2025 involving proceedings under section 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. It transpires during the course of hearing with the able assistance coming from both the parties that the learned lower authorities have invoked section 14A read with Rule 8D

disallowance of Rs.7,95,853/- in the assessee's case despite the fact that it has not derived any actual exempt income in the relevant assessment year. That being the case and in light of the fact that the legislature has inserted Explanation to section 14A making the same applicable even in absence of an exempt income vide Finance Act, 2021 with prospective effect only, I hereby quote Cheminvest Limited Vs. CIT (2015) 378 ITR 33 (Delhi HC) to conclude that the impugned disallowance is not sustainable once the assessee has not declared any exempt income in its case.

3. This assessee's appeal is allowed.

Order pronounced in the open court on 29th October, 2025

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 29th October, 2025.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi