

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

**Before Sh. Satbeer Singh Godara, Judicial Member
&
Sh. Amitabh Shukla, Accountant Member**

ITA No. 5143/Del/2025 : Asstt. Year : 2017-18

DCIT, Central Circle-20, New Delhi-110055	Vs	Lotus Herbals Pvt. Ltd., No. 2, Forest Lane, Near Ghitorni Metro Station, South West Delhi, Delhi-110030
(APPELLANT)		(RESPONDENT)
PAN No. AAACL0198F		

**Assessee by : Sh. Rohit Jain, Adv. &
Ms. Deepashree Rao, Adv.
Revenue by : Ms. Amish S. Gupta, CIT-DR**

Date of Hearing: 15.01.2026	Date of Pronouncement: 15.01.2026
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ORDER

Per Satbeer Singh Godara, Judicial Member:

This Revenue's appeal for Assessment Year 2017-18, arises against the CIT(A)-27, New Delhi's DIN & order No. ITBA/APL/M/250/2025-26/1076443794(1) dated 22.05.2025, in proceedings u/s 147 r.w.s. 143(3) of the Income Tax Act, 1961 (in short "the Act").

2. Heard both the parties at length. Case file perused.
3. The Revenue's first and foremost substantive ground raised in the instant appeal seeks to reverse the CIT(A)'s action deleting the impugned advertisement, sale promotion and marketing expenses claim disallowance amounting to

Rs.23,57,61,205/- made in the Assessing Officer assessment order dated 29.09.2022. It's case accordingly is that the learned assessing authority had rightly disallowed the same on the ground that it was the assessee's attempt to claim the impugned expenditure incurred with related parties/sister concerns Lotus Herbal Color Cosmetics and Kanidi Cosmetics; to reduce profitability so as to evade payment of higher taxes.

4. That being the case, learned CIT-DR could hardly dispute that allowability of assessee's advertisement, sales promotion and marketing expenditure is a recurring issue between the parties wherein it has already succeeded in assessment years 2013-14 to 2016-17 and 2019-20 in department's five cases decided vide common order dated 23.12.2025 forming part of the case records. It is further made clear that there is no distinction on facts or law; as the case may be, stated to be arising in all these assessment years. We thus adopt judicial consistency to uphold the learned CIT(A)'s detailed discussion deleting the impugned expenditure. Rejected accordingly.

5. Next comes the second substantive issue between the parties regarding section 14A r.w.s. Rule 8D disallowance of Rs.42,49,228/- made in the assessment order as reversed in the CIT(A)'s detailed discussion. Suffice to say, the earlier learned co-ordinate bench has already settled the same in light

of ACIT Vs. Vineet Investments Pvt. Ltd. (2019) 165 ITD 27 (Del. (SB) and ACB India Ltd. Vs. ACIT (2012) 347 ITR 108 (Del.) that only the dividend yielding investments ought to be taken into consideration whilst computing the impugned disallowance. This is what the learned CIT(A) has precisely done in the lower appellate discussion under challenge. We thus find no merit in the Revenue's instant latter substantive ground as well.

6. This Revenue's appeal is dismissed.

Order Pronounced in the Open Court on 15/01/2026.

Sd/-

(Amitabh Shukla)
Accountant Member

Dated: 15/01/2026

Subodh Kumar, Sr. PS

Copy forwarded to:

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

Sd/-

(Satbeer Singh Godara)
Judicial Member

ASSISTANT REGISTRAR