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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
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\+ **ITA 155/2016**

THE PRINCIPAL COMMISSIONER OF INCOME TAX-03 ..... Appellant
Through: Mr Dileep Shivpuri, Senior Standing Counsel with Mr Zoheb Hossain, Junior Standing Counsel.

versus

M/S. DBH INTERNATIONAL P. LIMITED ..... Respondent
Through: Mr Salil Kapoor and Mr Arun Vir Singh, Advocates.

CORAM:
JUSTICE S.MURALIDHAR
JUSTICE VIBHU BAKHRU

O R D E R

% **29.02.2016**

1. The challenge by the Revenue in this appeal is against the order dated 28th August, 2015 passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No. 5507/Del/2012 for the Assessment Year ('AY') 2009-10.

2. The question sought to be urged by the Revenue was whether the ITAT was justified in holding that the Assessing Officer ('AO') had failed to record reasons for not accepting the figure of disallowance made by the Assessee towards expenditure incurred in relation to exempt income under Section 14A(2) of the Income Tax Act, 1961 ('Act') read with Rule 8D of the Income Tax Rules, 1962 ('Rules').

3. The Assessee had claimed interest expenses of Rs.1,30,70,204/- whereas the AO, applying Rule 8D of the Rules, further disallowed Rs.88,38,311/-

over and above the voluntary disallowance made by the Assessee.

4. Having heard the submissions of learned counsel for the Revenue and having examined the impugned orders of the AO, the CIT (A) as well as the ITAT, the Court is unable to find any ground to disagree with the conclusion reached by the ITAT that the AO has not recorded the satisfaction by giving reasons for determining the disallowance over and above what has already been claimed by the Assessee as envisaged by Section 14A of the Act.

5. No substantial question of law arises. The appeal is dismissed.

S.MURALIDHAR, J

VIBHU BAKHRU, J

FEBRUARY 29, 2016
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