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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
21.
\+ **ITA 215/2016**

THE PR. COMMISSIONER OF INCOME TAX-5 ..... Appellant
Through: Mr. Rahul Chaudhary, Senior Standing counsel & Mr. Raghvendra Singh, Junior Standing counsel.

versus

JAI KRISHAN ESTATE DEVELOPERS P. LTD. ..... Respondent

CORAM:
JUSTICE S.MURALIDHAR
JUSTICE VIBHU BAKHRU

<u>O R D E R</u>
% **30.03.2016**

1. This appeal by the Revenue is against the order dated 26th August 2015 passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No. 5914/Del/2013 for the Assessment Year ('AY') 2010-11.

2. One of the questions urged before the Court concerns deletion of additions made under Section 14A of the Income Tax Act, 1961 ('Act') read with Rule 8D of the Income Tax Rules 1962 ('Rules').

3. The reason for the ITAT concurring with the view of the Commissioner of Income Tax (Appeals) deleting the additions by the AO under Section 14A of the Act read with Rule 8 D of the Rules was the failure of the Assessing Officer ('AO') to record satisfaction that the disallowance made by the Assessee was not acceptable.

4. Having perused the impugned order of the ITAT in relation to the assessment order the Court, finds no error committed by the ITAT in concluding that AO failed to record reasons for rejecting the claim of the Assessee with regard to the expenditure in relation to exempt income. The Court therefore declines to frame a question on this issue.

5. The other issue concerns the deletion of the additions made b the AO on estimation of interest on trade advances. Here again, the Court finds no legal infirmity in the concurrent orders of the CIT(A) and the ITAT. Therefore, the Court declines to frame a question on this issue as well.

6. The appeal is accordingly dismissed.

S.MURALIDHAR, J

VIBHU BAKHRU, J

MARCH 30, 2016
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