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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 1106/2017, CM APPL.44153-44154/2017

THE PR. COMMISSIONER OF INCOME TAX-4 ..... Appellant
Through: Mr. Ruchir Bhatia, Sr. Standing Counsel.

versus

GUJARAT GUARDIAN LTD. ..... Respondent
Through: Mr. Neeraj Jain with Mr. Aniket D. Agrawal, Advocates.

**CORAM:**
**HON'BLE MR. JUSTICE S. RAVINDRA BHAT**
**HON'BLE MR. JUSTICE SANJEEV SACHDEVA**

**O R D E R**

% **05.12.2017**

The Revenue's appeal in this case concerns with the correctness of the ITAT's order in regard to disallowance under Section 14A (2). The Assessing Officer (AO) disallowed certain amounts after rejecting the assessee's explanation with respect to the statutory disallowance on an application of Rule 8D of the Income Tax Rules. The appellate Commissioner granted the relief which was confirmed by the ITAT.

The issue in the opinion of this Court is now covered by the judgment of the Supreme Court in *Godrej & Boyce Manufacturing Co. Ltd. v. DCIT* (2017) 394 ITR 449 (SC). In that judgment, the Court confirmed the opinion of various High Courts bringing to tax any amount under Section 14A and applying the Rule 8D, the

Assessing Officer has to record *prima facie* satisfaction that the claim of the assessee is inadmissible. In the present case, no such satisfaction was recorded. The ITAT's conclusions are, therefore, justified. No substantial question of law arises; the appeal is dismissed, accordingly, along with pending applications.

**S. RAVINDRA BHAT, J**

**SANJEEV SACHDEVA, J**

**DECEMBER 05, 2017**
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