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

\+ ITA 312/2018

PRINCIPAL COMMISSIONER OF INCOME TAX - 7
..... Appellant

Through Mr. Rahul Chaudhary, Adv.

versus

M/S RATTAN INDIA INFRASTRUCTURE LTD...... Respondent

Through None.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE A. K. CHAWLA

O R D E R

% **19.03.2018**

The appellant challenging the order of ITAT on account of deletion of amounts brought to tax under Section 14A of the Income Tax Act (the Act) to the extent of ₹1,48,12,500/-, has approached this Court under Section 260A of the Act.

The Assessing Officer (AO) disallowed the amounts that were ultimately brought to tax holding that the assesse's claim of no expenditure because of no income, was unwarranted. Rule 8D of the Income Tax Rules was applied to arrive at the figure of ₹1,48,12,500/-. The CIT(A) deleted the amounts brought to tax. The Revenue's appeal confirmed the order of CIT(A) in the light of the principles enunciated in *Cheminvest Ltd. vs Commissioner of Income Tax*, 378 ITR 33 and *Commissioner of Income Tax vs. Winsome Textiles Industries Ltd,*. 319 ITR 204.

Having regard to the statutory mandate that there ought to be exempt income, as a pre-condition for disallowance, this Court is in agreement and follows the principles declared in *Cheminvest Ltd. (supra) etc.,* no question of law arises. The appeal is dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

MARCH 19, 2018

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