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

\+ ITA 361/2018

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

versus

M/S HIND INDUSTRIES LTD. ..... Respondent
Through: Mr. K.N. Ahuja, Adv.

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

O R D E R

% **23.03.2018**

Questioning the deletion of the sums added under Section 14A of the Income Tax Act, 1961 (hereafter referred to as "the Act") (to the tune of ₹1,25,52,405/-), the Revenue in its appeal under Section 260A of the Act urges that the ITAT fell into error.

The AO applied Rule 8D of the Income Tax Rules, 1962 (hereafter referred to as "the Rules") in respect of the disallowance mandated by Section 14A of the Act, towards the tax free income declared by the assessee. The CIT(A) and the ITAT following the reasoning of this Court in *Maxopp Investment Ltd. v. Commissioner of Income Tax* 347 ITR 272 (Del.), held that without recording satisfaction that the sums offered by the assessee were not in order, the AO could not have sought recourse to Rule 8D of the Rules. The ITAT concurred with the Appellate Commissioner's view.

This Court is of the opinion that no question of law arises; besides *Maxopp (supra)* and other decisions have been approved by a recent judgment of the Supreme Court in *Godrej & Boyce Manufacturing Co. Ltd. v. DCIT* (2017) 394 ITR 449 (SC). The appeal is accordingly dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

MARCH 23, 2018
kks