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

\+ ITA 432/2018

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

Through: Mr.Rahul Chaudhary and Mr.Sanjay Kumar, Advs.

versus

ORIENTAL BANK OF COMMERCE ..... Respondent

Through: None.

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

O R D E R

% **11.04.2018**

The question of law urged by the Revenue in its appeal under Section 260A of the Income Tax Act, 1961 is whether the ITAT erred in restricting the disallowance (to 1% of the gross exempt income) under Section 14A of the Act. It is urged that for a subsequent year the assessee had accepted the disallowance to the extent of 5%. This Court notices that the exempt income was earned by the assessee when Rule 8D was not in existence. The ITAT has relied upon the decision of *Commissioner of Income Tax vs. HDFC Bank Ltd,* (2014) 366 ITR 505 (Bom.) where a similar cap on the disallowance – to the extent of 1% was applied. Since the ITAT followed the authority which contained same reasoning, this Court is of the opinion that no substantial question of law arises. In the circumstances of the case, the appeal is dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

APRIL 11, 2018
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