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

\+ ITA 102/2018

PR COMMISSIONER OF INCOME TAX-6 ..... Appellant

Through: Mr. Rahul Chaudhary, Sr. Standing Counsel for Revenue.

versus

MODERATE LEASING AND CAPITAL SERVICES PVT LTD ..... Respondent

Through: Mr. P. Roychaudhuri, Adv.

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

O R D E R

% **31.01.2018**

The assessees have declared paltry sums as tax exempt income for A.Y. 2009-10. The AO added back substantial amounts – in one case to the tune of ₹9.9 crores under Section 14A on the basis that huge amounts of borrowings, had been converted into equity holdings. The CIT(A) and the ITAT granted relief – the latter by following the decision of this Court in *Commissioner of Income Tax v. Joint Investment Pvt. Ltd.* 372 ITR 694. In *Joint Investment Pvt. Ltd. (supra),* it was held that the disallowance under Section 14A should not exceed the exempt income itself. Having regard to these circumstances, especially that the ITAT followed the judgment of this Court which had settled this point of law, no question of law arises. The appeal is, therefore, dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

JANUARY 31, 2018
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