$~33

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

\+ ITA 95/2018

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

Through: Mr. Sanjay Kumar, Jr. Standing Counsel with Mr. Rahul Chaudhary, Sr. Standing Counsel.

versus

M/S RANBAXY HOLDING COMPANY ..... Respondent

Through: Mr. Mayank Nagi, Advocate.

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

O R D E R

% 30.01.2018

The question urged by the Revenue in its appeal under Section 260A of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') is whether the Income Tax Appellate Tribunal (hereinafter referred to as 'ITAT') fell into error in setting aside the exercise of jurisdiction under Section 263 of the Act, by the Commissioner?

The Commissioner exercised the revisional jurisdiction on the premise that the Assessing Officer ('AO') had wrongly applied the principles in Section 14A of the Act in estimating the disallowance mandated by the statute. In so concluding, the CIT(A) worked on a premise that itself was an exemption. Such exercise of discretion was held to be unwarranted in decisions of various Courts, including that of this Court, in the case of *Commissioner of Income Tax vs. M/s DLF Ltd.*, (2013) 350 ITR 555 (Del.). The ITAT held it to be so and set aside the order under Section 263 of the Act.

Since the ITAT merely applied the principles enunciated in the case of *DLF Ltd.* (supra), which had reiterated the similar decision in the case of *Malabar Industrial Company Ltd. vs. CIT*, 243 ITR 83, no substantial question of law arises.

The appeal is therefore dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

JANUARY 30, 2018
nn