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

\+ ITA 134/2018

PR. COMMISSONER OF INCOME TAX-6 ..... Appellant
Through Mr. Rahul Chaudhary and Ms.Vibhooti Malhotra, Advs.

versus

NISHU FINLEASE PVT LTD ..... Respondent
Through None.

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

<u>O R D E R</u>

% 06.02.2018

The Revenue's appeal challenges the order of Income Tax Appellate Tribunal (ITAT), which had directed the disallowance under Section 14A of the Income Tax Act, 1961 ('the Act'). The assessee had earned a dividend of ₹65,150/- during the assessment year in question, towards which, the investment made was ₹1878.48 lacs. Disallowance directed by the Assessing Officer (AO) was by application of Rule 8D(2)(ii) of the Income Tax Rules. The ITAT relied upon *Cheminvest Ltd. Vs. Commissioner of Income-tax-IV,* (2015) 61 taxmann.com 118 (Delhi). This Court is of the opinion that the ITAT's order is reasonable given the fact that tax exempt income was just in range of ₹65,000/- and that the attribution of interest expenditure in the manner done was impermissible having regard to the judgment in *HT Media vs. Commissioner of Income Tax*, (2017) 399 ITR 576 (Delhi). No question of law arises.

The appeal is dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

FEBRUARY 06, 2018

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