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

\+ ITA 158/2019 & CM Appl. 7146/2019

THE PR. COMMISSIONER OF INCOME TAX-5 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Std. Counsel.

versus

LIQUID INVESTMENT AND TRADING CO. PVT. LTD. ..... Respondent

Through: Ms. Devika Jain, Adv.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE PRATEEK JALAN

ORDER

% **15.02.2019**

In this appeal the assessee had for A.Y. 2007-08 offered ₹85,48,009/- as disallowance under Section 14A. The AO rejected this but without recording reasons for satisfaction; and disallowed ₹2,95,03,813/-. The tax exempt income in this case was ₹30,12,127/-. The CIT[A] gave partial relief and restricted the disallowance to ₹1,21,64,443/-. The ITAT in the assessee's appeal followed the principle enunciated by this Court in *Joint Investments Pvt. Ltd. vs. CIT, Reported in (2015) 372 ITR 694 (Del),* that the disallowance cannot exceed the tax exempt income and reduced the disallowance what was so offered by the assessee. The Court is of the opinion that since the ITAT has followed this Court's decision, no question of law arises.

The appeal is accordingly dismissed.

S. RAVINDRA BHAT, J

PRATEEK JALAN, J

FEBRUARY 15, 2019/*'pv'*