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* IN THE HIGH COURT OF DELHI AT NEW DELHI

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\+ ITA 232/2019

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

Through: Mr Ruchir Bhatia, Senior Standing Counsel for Revenue.

versus

JETAIR PVT. LTD. ..... Respondent

Through: None.

CORAM:
JUSTICE S.MURALIDHAR
JUSTICE TALWANT SINGH

O R D E R

% **19.07.2019**

1. The Revenue is in appeal against the order dated 19th September, 2018 passed by the Income Tax Appellate Tribunal ('ITAT') passed in ITA No.2713/Del./2015 for the Assessment Year ('AY') 2011-12.

2. The question sought to be urged by the Revenue is whether the ITAT was right in affirming the order of the Commissioner of Income Tax (Appeals) ['CIT (A)'] which deleted the disallowance for Rs. 1,48,28,000/- by the Assessing Officer ('AO') on the ground that these were paid as 'finance charges' by the Assessee.

3. The basis for the AO to disallow the above amount was on the surmise that the Assessee had provided interest-free-loans to its subsidiary sister concerns and, therefore, it required to be added back as finance charges paid

during the AY in question.

4. As rightly pointed out by the CIT (A), which has been concurred with by the ITAT, a perusal of the accounts showed that the Assessee had substantial capital and interest-free funds available with it, for giving such loans as advances. In fact, there was no enquiry into this aspect undertaken by the AO, whereas the CIT(A) undertook that exercise, and came to the above conclusion.

5. In that view of the matter, no substantial question of law arises in the present appeal from the impugned order of the ITAT. The appeal is accordingly dismissed. No costs.

CM 11826/2019 (exemption)

6. Allowed, subject to all just exceptions.

S. MURALIDHAR, J.

TALWANT SINGH, J.

JULY 19, 2019

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