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

+ ITA 208/2024

THE PR COMMISSIONER OF INCOME TAX-4, NEW
DELHI

..... Appellant

Through: Mr. Shlok Chandra, SSC along
with Ms. Priya Sarkar and Ms.
Madhavi Shukla, JSCs.

versus

HCL COMNET SYSTEM AND SERVICE LTD.

..... Respondent

Through: Mr. Aditya Vohra, Adv.

CORAM:

HON'BLE MR. JUSTICE YASHWANT VARMA

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR

KAURAV

ORDER

04.04.2024

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**CM APPL 20015/2024 (delay in filing) & CM APPL 20016/2024
(Delay in refiling)**

Bearing in the mind the disclosures made, the delay of 06 days in filing the appeal and the delay of 96 days in re-filing the appeal is condoned.

The applications shall stand disposed of.

ITA 208/2024

1. The Principal Commissioner of Income Tax impugns the order of the Income Tax Appellate Tribunal ['ITAT'] dated 07 June 2023 and proposes the following questions of law for our consideration:-

“A. Whether on the facts and circumstances of the case and in law, the Ld. ITAT erred in deleting the addition of Rs.1,38,87,135/- u/s 14A of the Act?

B. Whether on the facts and circumstances of the case and in law, the Ld. ITAT erred in overlooking the CBDT Circular No. 512014 dated 11.02.2014 and introduction in the Explanation of the Finance Act



2022 holding that the disallowance u/s 14A which clarifies that disallowance u/s 14A is to be made even when the assessee has not earned any exempt income during the year?

C. Whether on the facts and circumstances of the case and in law, the Ld. ITAT erred in deleting the additions made by the AO on capitalisation of license fee of Rs. 2,26,50,074/-?"

2. Mr. Chandra, learned counsel representing the appellant states that insofar as proposed Question C is concerned, that would stand answered in favour of the Revenue in light of the judgment of the Supreme Court in **CIT vs Bharti Hexacom Ltd.** [2023 SCC OnLine SC 1340].
3. Insofar as questions pertaining to Section 14A of the Income Tax Act, 1961 are concerned, Mr. Chandra prays for some time to address submissions.
4. Consequently, let the appeal be re-notified for 19.07.2024.

YASHWANT VARMA, J.

PURUSHAINDR KUMAR KAURAV, J.

APRIL 04, 2024_{RW}