

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Income Tax Appeal No. 278/2018

Pr. Commissioner Of Income Tax Jaipur-Ii

----Appellant

Versus

M/s Rajasthan State Industrial Development And Investment Corporation Ltd.

----Respondent

For Appellant(s)	:	Mr. Anuroop Singhi Mr. N.S. Bhati Mr. Aditya Khandelwal
For Respondent(s)	:	Mr. Rohan Chattar on behalf of Mr. Siddharth Ranka

HON'BLE MR. JUSTICE INDERJEET SINGH
HON'BLE MR. JUSTICE VINOD KUMAR BHARWANI

Order

23/01/2025

Heard.

This appeal is admitted on the following substantial questions of law:-

"1. Whether in the facts and circumstances of the case and in law, the ITAT Was justified in upholding the deletion of disallowance of Rs.5,00,00,000/- made on account of contribution to Rajasthan Bhawan and thereby not considering the fact that contribution towards fund is not connected with the business but it is diversion of income and not allowable u/s 37(1) of the Income Tax Act, 1961.

2. Whether in the facts and circumstances of the case and in law, the ITAT was justified in upholding the deletion of disallowance of Rs.641.42 Lakhs made on account of expenditure for Corporate Social Expenses

(CSR) and thereby not considering the fact that such expenditure is not connected with the business but it is diversion of income and not allowable u/s 37(1) of the Income Tax Act, 1961, particularly in view of the contrary decision in the assessee's own case for the A.Y. 2012-13 in ITA No.94/JP/2015 & 2008/JP/2015 vide its consolidated order dated 23-2-2018.

3. Whether in the facts and circumstances of the case and in law, the Hon'ble ITAT was justified in upholding the deletion of disallowance of Rs.20,00,000/- made on account of contribution to State Renewal Fund and thereby not considering the fact that contribution towards State Renewal Fund is not connected with the business but it is diversion of income and not allowable u/s 37(1) of the Income Tax Act, 1961.

4. Whether in the facts and circumstances of the case, the ITAT was justified in upholding the deletion of disallowance of Rs.2,00,00,000/- on account of contribution to Centre for Development of Stones and in rejecting the view that the payment is an application of income."

5. Whether in the facts and circumstances of the case and in law, the ITAT was justified in allowing deduction u/s 80IA (4) on interest income including penal interest income on the ground that it is derived from the business activity and on other income like Economic Rent, Services Charges, Water Charges & Prior Period Income by holding that these are related to the core business activity, even though

such income is not eligible for deduction u/s 80IA.

6. Whether in the facts and circumstances of the case and in law, the ITAT was justified in allowing relief to the assessee out of disallowance made u/s 14A of the I.T. Act without appreciating that as per department circular No 05/2014 dated 11.02.2014 it is not necessary for exempt income to have been included in the income of particular year for disallowance of related expenditure u/s 14A."

List this appeal in the first week of April, 2025.

(VINOD KUMAR BHARWANI),J

(INDERJEET SINGH),J