

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DIVISION BENCH 'A', CHANDIGARH**

BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER  
AND MS.ANNAPURNA GUPTA, ACCOUNTANT MEMBER

**ITA Nos.778 & 779/Chd/2017**

(Assessment Year : 2012-13 & 2013-14)

M/s Chandigarh Distillers Bottlers Pvt. Ltd. SCO 140-141, Sector 34-A, Chandigarh, PAN No. AABCC3752B (Appellant)	Vs.	The D.C.I.T., Central Circle II, Ludhiana.  (Respondent)
---	-----	--

Appellant by : Shri Sudhir Sehgal, Adv.  
Respondent by : Smt.Chanderkanta, Addl.CIT  
Date of hearing :19.03.2018  
Date of Pronouncement :20.06.2018

**ORDER**

**Per Sanjay Garg, Judicial Member :**

The captioned appeals have been preferred by the same assessee against the separate orders of the Commissioner of Income Tax (Appeals)-5, Ludhiana [hereinafter referred to as 'CIT(Appeals)] dated 6.2.2017, passed u/s 250(6 of the Income Tax Act, 1961 (in short 'the Act') in Appeal Nos.49/IT/CIT(A)-5/Ldh/2015-16 & 399/IT/CIT(A)-5/Ldh/2015-16 relating to assessment year 2012-13 and 2013-14 respectively.

2. Since identical issues have been raised in both the appeals, the same were heard together and are being disposed off by this consolidated order.

3. The only issue involved in this appeal is relating to the disallowance made u/s 14A of the Income-tax Act, 1961 (in short 'the Act') read with Rule 8D(2)(ii) of the I.T. Act.

4. At the outset, Ld. Counsel for the assessee has invited our attention to the impugned orders of the CIT(A) and pointed out that for the impugned assessment years there was no tax exempt income earned by the assessee. The Ld. counsel has further submitted that the issue is now squarely covered by the numerous decisions of the various High Courts including that of the Jurisdictional High Court of Punjab and Haryana in the case of CIT, Faridabad Vs. Lakhani Marketing Inc.', 226 Taxman 45 (P&H) and in the case of 'CIT Vs. Winsome Textiles' (2009) 319 ITR 204 (P&H), Hon'ble Delhi High Court in the case of 'Cheminvest Ltd Vs. ITO' (2015) 378 ITR 33 (Delhi) and of the Hon'ble Gujarat High Court in the case of 'Corrtech Energy P. Ltd. (2014) 45 Taxman.com 116' and further of the Hon'ble Allahabad High Court in the case of 'CIT Vs. M/s Shivam Motors (P) Ltd' (2014) 272 CTR (All) 277 and various other case laws. In all the above referred to case laws, the Hon'ble High Courts have been unanimous to hold that no disallowance is attracted u/s 14A of the Act in case the assessee has not earned any income not forming part of the total income.

5. In view of the above legal proposition, no disallowance u/s 14A is warranted in this case and hence, the disallowance made by the lower authorities is hereby ordered to be deleted.

6. In the result both the appeals of the assessee are hereby allowed.

Order pronounced in the open court on 20.06.2018

Sd/-  
**(ANNAPURNA GUPTA  
ACCOUNTANT MEMBER**

Sd/-  
**(SANJAY GARG)  
JUDICIAL MEMBER**

Dated : 20<sup>th</sup> June, 2018  
\*Rati\*

Copy to:

1. The Appellant
2. The Respondent
3. The CIT(A)
4. The CIT
5. The DR

Assistant Registrar,  
ITAT, Chandigarh