

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'D' BENCH, KOLKATA**

**Before Sri J. Sudhakar Reddy, Accountant Member & Sri S.S. Viswanethra Ravi, Judicial Member**

**I.T.A. No. 2217 & 2218/KOL/2017**  
Assessment Years: 2011-12 & 2012-13

**M/s Chemcrown Exports Ltd.....Appellant**  
**[PAN :AABCC 1681 M ]**

**DCIT, Circle-11(1), Kolkata.....Respondent**

**Appearances by:**

*Shri Srikumar Banerjee, appeared on behalf of the Appellant.*

*Shri S. Halder, Sr. DR, appeared on behalf of the Respondent..*

Date of concluding the hearing : January 17, 2019

Date of pronouncing the order : January 30, 2019

**ORDER**

**Per J. Sudhakar Reddy, Accountant Member :-**

Both these appeals filed by the assessee directed against a common order by the Learned Commissioner of Income Tax (Appeals)-4, Kolkata, [Id. CIT(A)] passed u/s. 250 of the Income Tax Act, 1961, (the 'Act'), dated 18/08/2017, for the Assessment Years 2011-12 & 2012-13.

2. As the issues arising both these appeals are common, for the sake of convenience, they are heard together and disposed off by way of this common order.

3. Heard rival contentions. In both the appeals, the common issue that is argued is regarding restricting the disallowance u/s 14A of the Act to the extent of exempt income earned. The Hon'ble Jurisdictional High Court in *ITA No.100 of 2014 in the case of CIT vs. Ashika Global Securities Limited GA 2122 of 2014* decided on 11.06.2018 held that, disallowance u/s 14A of the Act cannot exceed the exempt income earned by the assessee. This judgment has followed the judgment of the Hon'ble Delhi High Court in the case of *Joint Investments Pvt. Ltd. vs. CIT in ITA No.117/2015*.

4. Respectfully following the binding decision of the Jurisdictional High Court on this issue, we direct the Assessing Officer to restrict the disallowance

u/s 14A of the Act for both the Assessment Years to the extent of exempt income earned by the assessee. In the result, these grounds are allowed in part.

5. Ground Nos.4 & 5 for the Assessment Year 2011-12 are dismissed as not pressed.

6. In the result, both the appeals are allowed in part.

***Kolkata, the 30<sup>th</sup> January, 2019.***

Sd/-  
**[S.S. Viswanethra Ravi]**  
Judicial Member

Sd/-  
**[J. Sudhakar Reddy]**  
Accountant Member

Dated : 30.01.2019  
RS, Sr.PS

*Copy of the order forwarded to:*

- 1. M/s Chemcrown Exports Ltd., 95, Park Street, 2<sup>nd</sup> Floor, Kolkata - 700 016.**
- 2. DCIT, Circle-11(1), Kolkata.**
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

True copy

By order

Assistant Registrar, Kolkata Benches