

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'C' BENCH: CHENNAI**

श्री जॉर्ज माथन, न्यायिक सदस्य एवं श्री इंटूरी रामा राव, □□□□ □□□□□ के समक्ष  
**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND**  
**SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.1711 & 1712/Chny/2019  
निर्धारण वर्ष /Assessment Years: 2014-15 & 2015-16

M/s. Nelsun Paper Mill Limited  
(formerly known as KGS Nelsun  
Paper Mill Private Limited)  
KGS Corporate House No.43,  
Besant Avenue Road, Adyar,  
Chennai – 600 020.

**[PAN: AAACN 2359J]**

(अपीलार्थी/Appellant)

**Vs.** Income Tax Officer,  
Corporate Ward-4(4),  
Chennai – 600 034

(प्रत्यर्थी/Respondent)

आयकर अपील सं./ITA No.1420/Chny/2019  
निर्धारण वर्ष /Assessment Year: 2015-16

The Assistant Commissioner of  
Income Tax,  
Corporate Circle-4(2),  
Chennai – 600 034

(अपीलार्थी/Appellant)

**Vs.** M/s. KGS Nelsun Paper Mill  
Limited  
No.43, Besant Avenue Road,  
Adyar, Chennai – 600 020.

**[PAN: AAACN 2359J]**

(प्रत्यर्थी/Respondent)

Assessee by : Mr. G. Baskar &  
Mr. I. Dinesh, Advocates  
Department by : Ms. R. Anitha, JCIT

सुनवाई की तारीख/Date of Hearing : 28.11.2019  
घोषणा की तारीख /Date of Pronouncement : 28.11.2019

**आदेश / ORDER**

**PER SHRI GEORGE MATHAN, JUDICIAL MEMBER:**

ITA Nos.1711 & 1712/Chny/2019 are appeals filed by the Assessee in the case of M/s. Nelsun Paper Mill Limited, Chennai against the order of the learned Commissioner of Income Tax (Appeals)-8, Chennai (hereinafter called as 'CIT(A)') in appeal Nos. ITA Nos.59 & 289/16-17 dated 12.03.2019 for the Assessment Years 2014-15 & 2015-16. ITA No.1420/Chny/2019 is an appeal filed by the Revenue in the case of M/s. KGS Nelsun Paper Mill Limited against the order of the learned Commissioner of Income Tax (Appeals)-8, Chennai, in I.T.A No.65/17-18 dated 20.03.2019 for the Assessment Year 2015-16. As all these appeals are inter-connected and involve identical issues, they have been disposed of by this common order.

2. Mr. G. Baskar & Mr. I. Dinesh, Advocates represented on behalf of the Assessee and Ms. R. Anitha, JCIT represented on behalf of the Revenue.

3. It was submitted by the learned Authorized Representative that the only issue in the assessee's appeals was against the action taken by the learned CIT(A) in confirming the disallowance made by the Assessing Officer by invoking the Provision of Section 14A of the Income Tax Act, 1961. It was a submission that the assessee has not earned exempt income and consequently in view of the decision of the Hon'ble Jurisdictional High Court in the case of Commissioner of Income Tax, (Central)-1, Chennai Vs. Chettinad Logistics (P.) Ltd., reported in [2017] 80 taxmann.com 221 (Madras), wherein it has been held that where no exempt income was earned in the relevant

assessment years by the assessee, Section 14A of the Income Tax Act, 1961 could not be invoked. It was a submission that the said decision of the Hon'ble Jurisdictional High Court has also been affirmed by the Hon'ble Supreme Court by dismissal of the SLP reported in [2018] 95 taxmann.com 250 (SC).

4. The learned Authorized Representative drew our attention to the assessment order, wherein it has been categorically mentioned that the assessee has not earned any exempt income.

5. In reply, the learned Departmental Representative vehemently supported the order of the learned Assessing Officer and the learned CIT(A).

6. We have considered the rival submission and perused the materials available on record.

7. As it is noticed that the assessee has not earned any exempt income during the relevant assessment years, respectfully following the decision of the Hon'ble Jurisdictional High Court in the case of the Commissioner of Income Tax, (Central)-1, Chennai Vs. Chettinad Logistics (P.) Ltd., which has been affirmed by the Hon'ble Supreme Court, the disallowance as made by the Assessing Officer and as confirmed by the learned CIT(A) by invoking the Provision of Section 14A of the Income Tax Act, 1961 stands deleted. Consequently, the appeals of the assessee are allowed.

: - 4 - :

8. In the appeal of the Revenue in ITA No.1420/Chny/2019, the Revenue has challenged the action of the learned CIT(A) in giving partial relief in respect of the disallowance made u/s.14A of the Income Tax Act, 1961. As we have already allowed the assessee's appeal and held that no disallowance u/s.14A is liable to be made in the hands of the assessee for the relevant assessment years, as the assessee has not earned any exempt income, the appeal of the Revenue is dismissed.

9. In the result, the appeals of the assessee are allowed and the appeal of the Revenue stands dismissed.

*Order pronounced on the 28<sup>th</sup> day of November, 2019 in Chennai.*

Sd/-

(इंटूरी रामा राव)

**(INTURI RAMA RAO)**

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-

(जॉर्ज माथन)

**(GEORGE MATHAN)**

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai, दिनांक/Dated: 28<sup>th</sup> November, 2019.

IA, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकर आयुक्त (अपील)/CIT(A) 4. आयकर आयुक्त/CIT 5. विभागीय प्रतिनिधि/DR 6. गार्ड फाईल/GF