

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES : BENCH "B" HYDERABAD**

(Through Video Conference)

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

E.H. No. 35/Hyd/2020 &

ITA No. 1853/Hyd/2019		
Assessment Year: 2014-15		
Associated Broadcasting Company Private Limited Hyderabad	Vs.	The I.T.O. Ward 14(5) Hyderabad
PAN: AAECA2935P		
(Assessee Appellant)		(Respondent)
Assessee by:	Sri Ravi Bharadwaj, Adv.	
Revenue by:	Sri Y.V.S.T. Sai, CIT, DR	
Date of hearing:	08/01/2021	
Date of pronouncement:	11/01/2021	

ORDER

PER BENCH

This assessee's appeal for AY.2014-15 arises from the CIT(A)-6, Hyderabad's order dated 30.09.2019 passed in case No.10153/2017-18/A3/CIT(A)-6, in proceedings u/s.143(3) r.w.s. 92CA of the Income Tax Act, 1961 [in short, 'the Act'].

2. While dealing with the assessee's instant early hearing application, it transpires during the course of hearing that its sole substantive grievance raised in the main appeal seeks to delete S.14A r.w.Rule 8D (2)(ii) proportionate interest disallowance of Rs.64,39,580/- made in both the lower proceedings. We notice that the assessee has not derived any exempt income in the relevant previous year. We rely on the following case laws:

(i) Cheminvest Ltd. Vs. CIT (2015) 378 ITR 33 (Delhi); (ii) CIT vs. Corrttech Energy Pvt.Ltd. (2014) 223 Taxman 130 (Guj.); (iii) CIT vs. Shivam Motors (2015) 230 Taxman 63 (All); (iv) CIT vs. Chettinad Logistics Pvt. Ltd. (2017) 80 Taxmann 55 (Mad) to hold that the impugned disallowance provision applies only in relation to exempt income than in absence thereof. We thus delete the impugned Sec.14A disallowance itself for this precise reason alone. Ordered accordingly.

The assessee's main appeal ITA 1853/Hyd/19 is allowed whereas its early hearing petition E.H.No.35/Hyd/2020 is dismissed since rendered infructuous.

Pronounced in Open Court on 11th January, 2021.

Sd/-

**(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER**

Sd/-

**(SATBEER SINGH GODARA)
JUDICIAL MEMBER**

Dated: the 11th January, 2021.

* gmv

Copy of the Order forwarded to:

1. Associated Broadcasting Company Private Ltd., Plot no.97, road no.3, Banjara Hills, Hyderabad 500 034.
2. ITO, Ward 14(5), Hyderabad
3. ACIT, Range 14, Hyderabad.
4. CIT(A)-6, Hyderabad.
5. Pr.CIT-6, Hyderabad
6. DR, ITAT, Hyderabad.
7. Guard File.