

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "B" : HYDERABAD  
(THROUGH VIDEO CONFERENCE)**

**BEFORE SHRI S.S.GODARA, JUDICIAL MEMBER  
AND  
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

**I.T.A. Nos. 345 & 346/HYD/2019**

Assessment Year: 2012-13

Sri Krishna Jewellery Mart, HYDERABAD [PAN: AAJFS6312C]	Vs	The Deputy Commissioner of Income Tax, Central Circle-2(3), HYDERABAD
(Appellant)		The Asst. Commissioner of Income Tax, Circle-7(1), HYDERABAD  (Respondent)

For Assessee : Shri M.V.Anil Kumar, AR  
For Revenue : Shri Rohit Mujumdar, DR

Date of Hearing : 08-02-2021  
Date of Pronouncement : 19-02-2021

**ORDER**

**PER BENCH :**

These two assessee's appeals for AY.2012-13 arise from the CIT(A)-3, Hyderabad's orders dated 11-01-2019 & 15-01-2019 passed in appeal Nos.0204 & 0022/DCIT-7(1)/CIT(A)-3/2016-17, in proceedings u/s.143(3) & 154 of the Income Tax Act, 1961 [in short, 'the Act']; respectively.

Heard both the parties. Case files perused.

2. The assessee has raised the following similar substantive grounds in the instant appeals involving varying sum(s):

*“1.The Ld.CIT(A) erred in law and facts of the case in not condoning the delay in filing the appeal and ought to have admitted the appeal.*

*2.The Ld.CIT(A) ought to have admitted the appeal on merits by condoning the delay.*

*3.The Ld.CIT(A) ought to have considered the fact there is no exempt income earned by your appellant and hence, there cannot be any disallowance u/s.14A of the Income tax Act, 1961.*

*4.Your appellant submits that since there is no exempt income earned by your appellant, no disallowance u/s.14A is warranted.*

*5.Your appellant submits that in view of the settled law that there cannot be any disallowance u/s.14A in the absence of exempt income, prays that the addition may be deleted.*

*6.For these and such other grounds that may be urged at the time of hearing your appellant prays that the disallowance u/s.14A may be deleted”.*

3. At the outset, learned authorised representative submitted that there is no dividend income derived in the relevant previous years. He relied on the following case law:

- i. CIT Vs. Chettinad Logistics Pvt. Ltd., [80 taxmann.com 221] (Madras);
- ii. CIT Vs. Corrttech Energy Pvt. Ltd., [223 Taxman 130] (Guj);
- iii. Cheminvest Ltd., Vs. CIT (2015) [378 ITR 33] (Del)

4. This clinching fact has gone unrebutted from the departmental side.

5. Their lordships hold in above decisions that Section 14A read with Rule 8D applies only in relation to an assessee's exempt income and not otherwise. We therefore delete the impugned Section 14A r.w. Rule 8D disallowances.

6. These two assessee's appeal are allowed in above terms.

*Order pronounced in the open court on 19<sup>th</sup> February, 2021*

Sd/-  
**(LAXMI PRASAD SAHU)**  
**ACCOUNTANT MEMBER**

Hyderabad,  
Dated: 19-02-2021

TNMM

Sd/-  
**(S.S.GODARA)**  
**JUDICIAL MEMBER**

*Copy to :*

*1.Sri Krishna Jewellery Mart, C/o.M.Anandam & Co., Chartered Accountants, Flat No.7A, Surya Towers, S.P.Road, Secunderabad.*

*2.The Deputy Commissioner of Income Tax, Central Circle-2(3), Hyderabad.*

*3.The Asst.Commissioner of Income Tax, Circle-7(1), Hyderabad.*

*4.CIT(Appeals)-3, Hyderabad.*

*5.Pr.CIT-3, Hyderabad.*

*6.D.R. ITAT, Hyderabad.*

*7.Guard File.*