

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI "C" BENCH: NEW DELHI**

**(THROUGH VIDEO CONFERENCING)**

**BEFORE SHRI C. N. PRASAD, JUDICIAL MEMBER  
&  
SHRI PRADIP KUMAR KEDIA, ACCOUNTANT MEMBER**

**ITA No.7842/Del/2018  
[Assessment Year : 2014-15]**

DCIT Room No. 193, C. R. Building New Delhi	vs	Usha Brecco Ltd. 701, Surya Kiran Building, 19-K G Marg, Connaught Place, New Delhi-110092 <b>PAN: AAACU4023E</b>
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Appellant by</b>	None	
<b>Respondent by</b>	Sh. Umesh Takyar, SR. DR	
<b>Date of Hearing</b>	22.12.2021	
<b>Date of Pronouncement</b>	22.12.2021	

**ORDER**

**PER C. N. PRASAD, JM :**

This appeal is filed by the Revenue against the order of the Ld.CIT(A)-9 dated 05/09/2018 New Delhi, for assessment year 2014-15 in deleting the disallowance made u/s 14A of the Act.

2. In spite of issues of service, none appeared on behalf of the assessee nor any adjournment was moved. However, since, the issue in appeal is settled by various judicial pronouncements, this appeal is disposed off on hearing the Ld. DR.

3. Ld. DR submits that the Assessing Officer while completing the assessment u/s 143(3) of the Act computed the disallowance u/s 14A read with Rule 8D at Rs. 1,65,08,668/-. The Ld. DR submits that on appeal the Ld.CIT(A)'s deleted the disallowance on the ground that during the relevant assessment year, the assessee did not earn any exempt income. Ld. DR vehemently supported the orders of the Assessing Officer in making disallowance u/s 14A read with Rule 8D of the Act.

4. Heard Ld. DR and perused the orders of the authorities below. It is not in dispute that the assessee did not earn any exempt income during the current Assessment Year. The Ld.CIT(A)'s deleted the disallowance made u/s 14A read with Rule 8D following the decision of the Jurisdictional High Court in the case of Chem Invest Ltd. Vs. CIT [61 Taxman.com 118] wherein it has been held that provisions of Section 14A will not apply if no exempt income is received during the relevant previous year. Since Ld.CIT(A)'s followed the decision of the Jurisdictional High Court and deleted the disallowance made u/s 14A read with Rule 8D as the assessee did not receive any exempt income during the previous year, we do not find any infirmity in the order passed by the Ld.CIT(A). Grounds raised by the Revenue are dismissed.

4. In the result, appeal of the Revenue is dismissed.

Above decision was pronounced on conclusion of Virtual Hearing on 22nd December, 2021.

Sd/-

**(PRADIP KUMAR KEDIA)**  
**ACCOUNTANT MEMBER**  
**22/12/2021**

\*R. N\*

Sd/-

**(C. N. PRASAD)**  
**JUDICIAL MEMBER**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT, NEW DELHI