

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'A', CHANDIGARH

BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER &
SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER

आयकर अपील सं./ ITA No. 17/CHD/2023

निर्धारण वर्ष / Assessment Year : 2017-18

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|---|------|-------------------------------------|
| HIMUDA HIMUDA Nigam Vihar, Shimla | बनाम | The DCIT/ACIT, Circle, Shimla |
| स्थायी लेखा सं./PAN NO: AAALH0034K | | |
| अपीलार्थी/Appellant | | प्रत्यर्थी/Respondent |

(HYBRID HEARING)

निर्धारिती की ओर से/Assessee by : Shri Rajeev Sood, CA

राजस्व की ओर से/ Revenue by : Shri Anil Sharma, Sr.DR

सुनवाई की तारीख/Date of Hearing : 02.04.2024

उदघोषणा की तारीख/Date of Pronouncement : 03.04.2024

आदेश/Order

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 15.12.2022 of the Ld. Commissioner of Income Tax (Appeals), [hereinafter referred to as 'CIT(E)'], National Faceless Appeal Centre (NFAC), Delhi, for the Assessment Year 2017-18.

2. The sole issue raised in this appeal is relating to the disallowance made by the Assessing Officer of Rs. 1,22,77,245/- u/s 14A of the Income Tax Act, 1961 (in short 'the Act') in respect of proportionate expenditure deemed to have been incurred for earning of tax-exempt income.

3. At the outset, the Id. Counsel for the Assessee, pointing out to the records, stated that the Assessee during the year did not make any investment which was capable of earning of tax exempt income. That the only investment made by the Assessee was in the shape of FDRs, the interest from which was offered as income for taxation. Therefore, the provisions of Section 14A of the Act are not applicable in this case.

4. The Id. DR could not rebut the aforesaid contention of the Assessee.

5. Since in this case neither the Assessee made any investment which was capable of earning of tax-exempt income nor any tax-exempt income was earned by the Assessee during the year, therefore, the provisions of section 14A of the Act are not attracted in this case. The impugned additions made by the lower authorities are not sustainable in the eyes of law and the same are ordered to be deleted.

In the result, the appeal of the Assessee stands allowed.

Order pronounced on 03.04.2023.

Sd/-
(VIKRAM SINGH YADAV)
Accountant Member

Dated : 03 .04.2024

“आर.के.”

Sd/-
(SANJAY GARG)
Judicial Member

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ़/ DR, ITAT,
CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,
सहायकपंजीकार/ Assistant Registrar