

आयकर अपीलीय अधिकरण
कोलकाता 'A' पीठ, कोलकाता में

IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA 'A' BENCH, KOLKATA

श्री संजय गर्ग, न्यायिक सदस्य
एवं

श्री संजय अवस्थी, लेखा सदस्य
के समक्ष

Before

SRI SANJAY GARG, JUDICIAL MEMBER
&
SRI SANJAY AWASTHI, ACCOUNTANT MEMBER

I.T.A. No. 2092/KOL/2024
Assessment Year: 2020-21

Nadia District Central Cooperative Bank Ltd. *Appellant*
Samabay Building, M. M. Ghosh Street,
Krishnanagar, Nadia-741101,
West Bengal.
(PAN: AAALN0139M)

Vs.

ITO, Ward-41(1), Nadia. *Respondent*

Appearances:

Appellant represented by : Shri P. K. Ray, Advocate
Respondent represented by : Shri Subhendu Datta, CIT, DR

Date of concluding the hearing : December 23, 2024
Date of pronouncing the order : December 30, 2024

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal filed by the assessee is directed against the order dated 21.08.2024 of the Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as Ld. 'CIT(A)'] passed u/s. 250 of the Income Tax Act, 1961 (hereinafter referred to as the "Act") for Assessment Year 2020-21.

2. This assessee in this appeal is aggrieved by the action of the lower authorities in making/confirming the addition of Rs.4,96,74,510/- made by the lower authorities u/s. 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 (hereinafter referred to as the "Rules") on account of notional expenditure incurred by the assessee for earning of tax exempt income.

3. At the outset, the Ld. Counsel for the assessee has submitted that the assessee during the year did not earn any tax exempt income. The issue is squarely covered by the decision of Hon'ble Delhi High Court in the case of *Cheminvest Ltd. Vs. CIT 378 ITR 33 (Del.)* wherein it has been held that there being no exempt income earned by the assessee, no disallowance u/s. 14A to be made. The aforesaid proposition has been further confirmed by various Hon'ble High Courts and Tribunal viz., *CIT vs. M/s. Holcim India Pvt. Ltd. in ITA no. 486/2014 and ITA no. 299/2014; Judgment dt. 5-9-2014, CIT v. Shivam Motors (P.) Ltd. [2015] 230 Taxman 63 and CIT vs. Ashika Global Securities Ltd. (G.A. No. 2122 of 2014) dt. 11/06/2018.*

4. In these case laws, Hon'ble High Courts have been unanimous to hold that where the assessee has not derived any tax exempt income from investments, then no disallowance is attracted u/s. 14A of the Act.

5. In view of the above stated position of law, no disallowance u/s. 14A of the Act is attracted in this case. The disallowance made by the lower authorities u/s. 14A is accordingly, deleted.

6. In the result, the appeal of the assessee stands allowed.

Order pronounced in the open Court on 30th December, 2024.

Sd/-

Sd/-

[Sanjay Awasthi]
Accountant Member

[Sanjay Garg]
Judicial Member

Dated: 30.12.2024

Jd., Sr.P.S)

Copy of the order forwarded to:

1. **Appellant – Nadia Dist. Central Cooperative Bank Ltd., Nadia**
2. **Respondent – ITO, Ward-41(1), Nadia**
3. CIT(A)-NFAC, Delhi .
4. Pr. CIT-
5. CIT(DR), Kolkata Benches, Kolkata.

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By order

Assistant Registrar
ITAT, Kolkata Benches
Kolkata