

**आयकर अपीलीय अधिकरण, “एस.एम.सी” न्यायपीठ, कोलकाता**  
**IN THE INCOME TAX APPELLATE TRIBUNAL “SMC” BENCH KOLKATA**

श्री जार्ज माथन, न्यायिक सदस्य के समक्ष ।  
**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER**

आयकर अपील सं/ITA No.128/KOL/2025  
(निर्धारण वर्ष / Assessment Year :2017-2018)

Hollyfield Traders Private Limited EN-28, Sector-V, Bidhannagar, Salt Lake City, North 24 Parganas West Bengal-700091	Vs	CIT(A), Kolkata-27
PAN No. : AAACH 8293 D		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से /Assessee by	:	Shri Ayush Kedia, AR
राजस्व की ओर से /Revenue by	:	Smt. Madhumita Das, Sr.DR
सुनवाई की तारीख / <b>Date of Hearing</b>	:	10/07/2025
घोषणा की तारीख/ <b>Date of Pronouncement</b>	:	10/07/2025

**आदेश / O R D E R**

This is an appeal filed by the assessee against the order of the Id. CIT(A), Kolkata-27, dated 24.08.2024 for the Assessment Year 2017-2018.

2. Shri Ayush Kedia, Id.AR appeared on behalf of the assessee and Smt. Madhumita Das, Id. Sr.DR appeared on behalf of the revenue.

3. The appeal of the assessee is barred by 77 days. In this regard, the assessee has filed affidavit stating sufficient reasons for condonation of delay, which are also not found to be false. Ld. Sr. DR also did not raise any serious objection. Accordingly, the delay of 77 days in filing the appeal is condoned and the appeal is admitted for hearing.

4. It was the submission by the Id. AR that the only issue in the appeal of the assessee is in respect of the disallowance u/s.14A of the Act made by the AO. It was the submission the assessee had earned exempt income

to an extent of Rs.2,75,000/- during the impugned assessment year. It was the submission that the AO had computed the disallowance u/s.14A of the Act at Rs.10,90,605/-. It was the submission that the only prayer of the assessee is that the disallowance u/s.14A of the Act may be restricted to the exempt income as earned by the assessee. It was the submission that the issue is squarely covered by the decision of the Hon'ble Supreme Court in the case of State Bank of Patiala, reported in [2018] 99 taxmann.com 286 wherein the Hon'ble Supreme Court confirmed the view taken by the Hon'ble Punjab & Haryana High Court of restricting the disallowance to the quantum of exempt income. The Id. AR has also relied upon the decision of the Hon'ble Supreme Court in the case of Caraf Builders & Constructions (P) Ltd., reported in [2019] 112 taxmann.com 322(SC).

5. In reply, Id. Sr. DR vehemently relied on the order of the Id. CIT(A). It was the submission that the revenue's SLP in the case of India Bulls on the issue is pending before the Hon'ble Supreme Court.

6. I have considered the rival submissions. A perusal of the facts and circumstances of the case shows that the issue in this appeal is squarely covered by the decision of the Hon'ble Supreme Court in the case of State Bank of Patiala, reported in [2018] 99 taxmann.com 286, therefore, the AO is directed to restrict the disallowance u/s.14A of the Act to the amount of the exempt income as earned by the assessee.

7. In the result, appeal of the assessee is allowed.

Order dictated and pronounced in the open court on 10/07/2025.

Sd/-

(जार्ज माथन)

**(GEORGE MATHAN)**

न्यायिक सदस्य / JUDICIAL MEMBER

**कोलकाता** Kolkata; दिनांक Dated 10/07/2025

*Prakash Kumar Mishra, Sr.P.S.*

**आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant-
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, **कोलकाता** / DR,  
ITAT, Kolkata
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Assistant Registrar)

Income Tax Appellate Tribunal, Kolkata