

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 831/Coch/2025
Assessment Year: 2016-17**

Tablez Food Company Pvt. Ltd. Appellant
971/B Y Tower, MKK Nair Road
Vazhakkala, Kochi 682030
[PAN: AADCT6643G]

vs.

ITO, Corporate Ward -2(4), Kochi Respondent

Assessee by: ----- None -----
Revenue by: Ms. Neethu S. Sr. DR

Date of Hearing: 27.11.2025
Date of Pronouncement: 28.11.2025

ORDER

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals), Panaji [CIT(A)] dated 29.08.2025 for Assessment Year (AY) 2016-17.

2. Brief facts of the case are that the appellant is a private limited company engaged in the business of running of restaurants. The appellant filed the return of income for AY 2016-17 on 15.10.2016 declaring loss of Rs. 3,30,247/-. Against the said return of income, the assessment was completed by the Income Tax Officer, Corporate Ward – 2(4), Kochi (hereinafter called "the AO") vide order dated

11.12.2018 passed u/s. 143(3) of the Income Tax Act, 1961 (the Act) at a loss of Rs,. 1,26,000/-. While doing so, the AO made disallowed Rs. 1,51,800/- u/s. 14A of the Act.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

5. I heard the rival contentions and perused the material available on record. The issue that arises for my consideration is whether the CIT(A) was justified in confirming the disallowance u/s. 14A of the Act even in the absence of any exempt income. Now, it is a settled position of law that in the absence of exempt income, no disallowance u/s. 14A of the Act can be made. Reliance in this regard is placed on the following judgments:

- (1) CIT vs. Tamilnadu Road Development Company Ltd (2021) 435 ITR 323 (Mad.)
- (2) Tamil Nadu Development Co Ltd vs. DCIT, 436 ITR 298
- (3) PCIT vs. Nam Estates P Ltd, 434 ITR 154

7. Respectfully following the ratio of the above decisions, we hold that the AO was not justified in making the disallowance u/s. 14A in the absence of exempt income.

8. In the result, appeal filed by the assessee is allowed.
6. Order pronounced in the open court on 28th November, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 28th November, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar
ITAT, Cochin