Principal Commissioner of Income Tax-1 vs. The Kangra Central Cooperative Bank Limited

a/w connected matters

ITA No.4 of 2025
a/w ITA Nos.5 & 6 of 2025

13.05.2026 Present : Mr. Neeraj Sharma and Mr. Ishaan Kashyap, Advocates, for the appellant in all appeals.

Mr. Vishal Mohan, Senior Advocate with Mr. Aditya Sood, Advocate, vice Mr. Sohan Singh Rathore, Advocate, for the respondent in all appeals.

ITA Nos.5 & 6 of 2025

Delinked from ITA No.4 of 2025 and disposed of vide separate order/judgment of even date.

ITA No.4 of 2025

With agreement of the parties, appeal is ***admitted*** on following substantial questions of law: -

(i) *Whether on the facts and in the circumstances of the case and in law, Hon'ble ITAT, Chandigarh is justified in rejecting the Appeal of the Department without adjudicating on the proposition of law under Section 14A of the Income Tax Act, 1961, propounded by the Central Board of Direct Taxes vide Circular No. 5 of 2014 dated 11.02.2014 that Section 14A is triggered for disallowance of expenditure incurred which is relatable to tax exempt income even though no tax exempt income under the Act has been earned during a particular year?*

(ii) *Whether Hon'ble ITAT, Chandigarh is right in law in deleting the disallowance under Section 14A of the Income Tax Act, 1961 read with Rule 8D of the Income Tax Rules, 1962 ignoring the legislative intent of the statute, further clarified vide Circular No 5 of 2014 dated 11.02.2014, which provides for disallowance of expenditure even where the Assessee in a particular year has not earned any exempt income?*

List for hearing in due course.

(Vivek Singh Thakur)
Judge

(Ranjan Sharma)
Judge

13th May, 2026
(Pardeep)