

आयकर अपीलिय अधीकरण, न्यायपीठ – “D” कोलकाता,
**IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA BENCH “D” KOLKATA**

Before **Shri Aby T. Varkey, Judicial Member** and
Dr.A.L. Saini, Accountant Member

ITA No.1050/Kol/2016
Assessment Year :2009-10

Income Tax Officer, Ward-3(3), AaykarBhawn, 4 th Floor, P-7, Chwringhee Square, Kolkta-69	V/s.	M/s Brgd Ingot Pvt. Ltd. 4, Chowringhee Lane, Kolkata-700 016 [PAN No.AACCB 6516 F]
अपीलार्थी /Appellant	..	प्रत्यर्थी/Respondent

अपीलार्थीकी ओर से/By Appellant	Shri Arindam Bhtacherjee, Addl. CIT-DR
प्रत्यर्थी की ओर से/By Respondent	None
सुनवाई की तारीख/Date of Hearing	07-03-2018
घोषणा की तारीख/Date of Pronouncement	16-03-2018

आदेश/ORDER

PER Dr. A.L. Saini, AccountantMember:-

This caption appeal filed by the Revenue, pertaining to Assessment Year 2009-10, is directed against an order passed by the Ld. Commissioner of Income Tax (Appeals)-23, Kolkata, in appeal No.108/CIT(A)-23/Wd-1(2)/14-15 dated 01.03.2016, which in turn arises out of an assessment order passed by the Assessing Officer u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') dated 21.12.2011.

2. The Revenue has raised the following grounds:-

“1. Whether on the facts and in the circumstances of the case and in law, the Id. CIT(A) was justified in allowing the additional depreciation of Rs.35,72,816/- u/s 32(1)(iia) on electrical installation in the previous year as part of plant and machinery.

2. The revenue shall always crave leave for adding or altering any ground on or before the date of hearing.”

3. Brief facts apropos this issue are that during the course of assessment proceedings the Assessing Officer observed that assessee-company has debited a sum of ₹35,72,816/- as additional depreciation on account of electric installation. The assessee had claimed separately additional depreciation of ₹65,91,513/- @ 20% on plant & machinery besides electric installation. The Assessing Officer disallowed the additional depreciation claimed by the assessee on electric installation to the tune of ₹35,72,816/-.

4. On appeal, Ld. CIT(A) deleted the addition holding that electric fittings and lining forms an integral part of plant and machinery. Not being satisfied with the order of Ld. CIT(A), the Revenue is in appeal before us.

5. At the time of hearing none appeared on behalf of assessee in spite of issuance of notice for hearing more than one occasion and Ld. Departmental Representative(DR), was present for the appellant Revenue. In the absence of any appearance by the assessee, the appeal is being disposed of *ex parte qua* the assessee, after hearing Ld. DR for the Revenue on merits in terms of Rule 24 of the Income Tax Appellate, Tribunal, 1963.

6. At the outset itself, the Ld. DR for the Revenue pointed out that assessee has claimed additional depreciation on electric fittings which are not an integral part of plant and machinery and therefore the assessee is not entitled to claim of additional depreciation on expenditure on account of electric fittings and installation. The Id DR pointed out that the electric installation is revenue

expenditure and not connected with the integral part of plant and machinery. Therefore, additional depreciation on electric installation should not be allowed. The Id CIT(A) did not ask a remand report from the assessing officer as to why and how electric fittings and installation can form part of plant and machinery.

7. We have given a careful consideration to the submission of Ld. DR for the Revenue and gone through the appellate order as well as assessment order passed by AO. We note that there is no finding in the order of Id CIT(A) that electric installation and electric fitting is an integral part of plant and machinery. Therefore, we direct the Assessing Officer to examine whether electric installation expenses are an integral part of plant and machinery and if these are an integral part of plant and machinery then AO should allow the additional depreciation thereon. Therefore, we set aside the order passed by Ld. CIT(A) and remand the matter back to the file of Assessing Officer to examine the electric installation expense as to whether and why they are part of plant and machinery. The assessee is directed to produce documents and explanations about electric fittings and installation which are included in its financial statement to establish that electric fittings and installation are an integral part plant and machinery and eligible for additional depreciation.

8. In the result, appeal filed by the Revenue is allowed for statistical purpose as indicted above.

Order pronounced in the open court 16/03/2018.

Sd/-
(Aby. T. Varkey)
(Judicial Member)
Kolkata,

Sd/-
(Dr. A.L. Saini)
(Accountant Member)

*Dkp, Sr.P.S

दिनांक:- 16/03/2018 कोलकाता ।

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. अपीलार्थी/Appellant- ITO, Ward-3(3) Aaykar Bhawan, 4th Fl, P-7 Chowringhee Sq. Kol-69
2. प्रत्यर्थी/Respondent- M/s Brgd Ingot Pvt. Ltd., 4, Chowringhee Lane, Kolkata-16
3. संबंधित आयकर आयुक्त/ Concerned CIT Kolkata
4. आयकर आयुक्त- अपील / CIT (A) Kolkata
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कोलकाता/ DR, ITAT, Kolkata
6. गार्ड फाइल / Guard file.

By order/आदेश से,

Sr. Private Secretary, Head of
Office/DDO
आयकर अपीलीय अधिकरण,
कोलकाता ।