

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, "बी", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B', CHANDIGARH

श्री संजय गर्ग, न्यायिक सदस्य एवं श्रीमती अन्नपूर्णा गुप्ता, लेखा सदस्य
BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER AND
Ms. ANNAPURNA GUPTA, ACCOUNTANT MEMBER

आयकर अपील सं./ ITA No. 597/CHD/2017

निर्धारण वर्ष / Assessment Year : 2012-13

The ITO, Ward-1, Jind	Vs. बनाम	Smt. Urmila Devi W/o Sh. Amarjeet Singh, V&PO Julani, Tehsil & Distt. Jind
स्थायी लेखा सं./PAN NO: AHSPD6364R		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारिती की ओर से/Assessee by : Sh. Vibhor Garg, CA

राजस्व की ओर से/ Revenue by : Sh. Ashish Gupta, CIT DR

सुनवाई की तारीख/Date of Hearing : 18.09.2018

उदघोषणा की तारीख/Date of Pronouncement : 13.12 . 2018

आदेश/Order

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Revenue against the order dated 24.01.2017 of the Commissioner of Income Tax(Appeals), Hisar [hereinafter referred to as 'CIT(A)'].

2. The Revenue is aggrieved by the action of the CIT(A) in deleting the addition made by the Assessing officer into the income of the assessee of Rs. 87,32,000/- on account of disallowance of commission.

3. The brief facts relating to the issue are that the assessee during the year has been working as a Marketing Agent with M/s Daulphin Tower

Network (P) Ltd. Out of the commission received of Rs. 1,11,00,000/- the assessee claimed that she had paid the commission amounting of Rs. 87,32,000/- to nine agents / persons for introducing new business for joining multi-level marketing system of sales. The Assessing officer disallowed the said commission paid to the persons on the plea that the above said persons were not having any nexus with the business activity that was carried on by the assessee.

4. In appeal before the CIT(A), the assessee pleaded that the aforesaid persons introduced to the assessee new persons who become members in the multi-level marketing chain business. To verify the facts, the Assessing officer summoned four persons / agents to whom the assessee had paid commission and recorded their statements u/s 131 of the Income-tax Act, 1961 (in short 'the Act'), wherein, they confirmed that they have received the aforesaid commission from the assessee.

5. The Ld. CIT(A) after considering the above facts and the admission of the persons that they had actually received the commission from the assessee and also further considering the nature of the activity carried on by the assessee, held that the commission payments were made by the assessee in the course of obtaining order for the assessee's line of business. He, accordingly deleted the additions so made by the Assessing officer.

6. After considering the rival contentions of the Ld. representatives of the parties, we do not find any reason to interfere in the order of the CIT(A) and the same is accordingly upheld.

In the result, the appeal of the Revenue is hereby dismissed.

Order pronounced in the Open Court on 13.12.2018

Sd/-
(अन्नपूर्णा गुप्ता / ANNAPURNA GUPTA)
लेखा सदस्य/ Accountant Member

Sd/-
(संजय गर्ग / SANJAY GARG)
न्यायिक सदस्य/ Judicial Member

Dated : 13.12. 2018

“आर.के.”

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar

1.