IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM

BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER &
SHRI D.S. SUNDER SINGH, HON'BLE ACCOUNTANT MEMBER

ITA No. 180/VIZ/2019
(Asst. Year : 2014-15)

M/s. AS Steel Traders (VSP) Ltd., D.No. 9-1-248, Near Asilmetta Junction, Rama Talkies Road, CBM Compound, Visakhapatnam.	vs.	ACIT, Circle-2, Visakhapatnam.
PAN No. AAFCA 0796 B (Appellant)		(Respondent)

Assessee by	:	Shri G.V.N. Hari, Advocate.
Department By	:	Shri D. Manoj Kumar, Sr.DR
Date of hearing	:	06/11/2019.
Date of pronouncement	:	08/11/2019.

O R D E R

PER V. DURGA RAO, JUDICIAL MEMBER

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals)-3, Visakhapatnam, dated 25/02/2019 for the Assessment Year 2014-15.

2. Ground Nos. 1 & 4 are general in nature, no adjudication is required, therefore same are dismissed. Ground No.2 is not pressed, hence, same is dismissed as not pressed. The only ground for adjudication before us is ground No.3, which relates to

disallowance of Rs. 13,97,503/- towards expenditure booked under rate difference arising on account of discounts given to the customers.

3. In the assessment order, the Assessing Officer has noted that during the course of assessment proceedings, while examination of the books of account produced by the assessee–company, it is noticed that the assessee-company has debited an expenditure of Rs. 13,97,503/- to the profit & loss account under the head 'rate difference'. When the Authorised Representative of the assessee-company was asked to explain the nature of the said expenditure, it was explained that sometimes goods are sold on credit basis and the customers at the time of payment, makes less payment and the balance amount is debited to the account as 'rate difference'. The amount of rate difference is decided by the bargaining with the customer and no specific procedure for rate difference is followed. However, the assessee could not furnish any documentary evidence in support of its claim. In absence of supporting evidence, the explanation of the assessee is not accepted by the Assessing Officer, hence, the entire amount of Rs.13,97,503/- claimed under the head 'rate difference' is disallowed and added back to the income returned.

4. On appeal, ld. CIT(A) gave a relief to the extent of 50%.

5. On being aggrieved, assessee carried the matter in appeal before this Tribunal.

6. Ld. counsel for the assessee by pointing out page No.2 of the paper book submitted that the details of the goods sold on credit basis and received less payment, has been filed before the Assessing Officer and the Assessing Officer without considering the same, simply addition was made and therefore request for deletion of addition.

7. On the other hand, ld. Departmental Representative relied on the orders of the authorities below.

8. We have heard both the parties, perused the material available on record and gone through orders of the authorities below.

9. We find that the Assessing Officer made the addition on account of assessee has not filed any documentary evidence to support his claim. The case of the assessee is that he has already filed the details before the Assessing Officer which is placed at page Nos.2 to 8 of the paper book. We are of the opinion that the Assessing Officer has to examine the details filed by the assessee and has to be decided in accordance with law. Therefore, we set aside the order passed by the ld. CIT(A) and remit the matter back to the file of the Assessing Officer with a direction to decide

the case of the assessee in *denovo* after considering the details filed by the assessee in the form of paper book after being given reasonable opportunity to the assessee. The assessee is also directed to file the paper book before the Assessing Officer as is filed before this Tribunal. Thus, this appeal filed by the assessee is allowed for statistical purpose.

10. In the result, appeal filed by the assessee is allowed for statistical purpose.

Order Pronounced in open Court on this 08th day of Nov., 2019.

Sd/-	sd/-
(D.S. SUNDER SINGH)	**(V. DURGA RAO)**
Accountant Member	**Judicial Member**

Dated:08th November, 2019.

vr/-

Copy to:

1. *The Assessee – M/s. AS Steel Traders (VSP) Ltd., D.No. 9-1-248, Near Asilmetta Junction, Rama Talkies Road, CBM Compound, Visakhapatnam.*
2. *The Revenue – ACIT, Circle-2, Visakhapatnam.*
3. *The Pr.CIT (Central), Visakhapatnam.*
4. *The CIT(A)-3, Visakhapatnam.*
5. *The D.R., Visakhapatnam.*
6. *Guard file.*

By order

(VUKKEM RAMBABU)
Sr. Private Secretary,
ITAT, Visakhapatnam.