

IN THE INCOME TAX APPELLATE TRIBUNAL "SMC", BENCH MUMBAI

BEFORE SHRI G. MANJUNATHA, ACCOUNTANT MEMBER

&

SHRI RAM LAL NEGI, JUDICIAL MEMBER

ITA No.5828/Mum/2018

(Assessment Year :2012-13)

M/s. Kapishek Films Private Limited C/o. Mr. Surendra Verma 902, 9 <sup>th</sup> Floor Dev Prestige Bldg 'A' Wing, Vira Desai Road Amboli, Andheri(West) Mumbai-400 058	Vs.	ITO-16(1)(2) Aaykar Bhawan Mumbai-400 020
<b>PAN/GIR No.AABCK9351N</b>		
<b>Appellant)</b>	<b>..</b>	<b>Respondent)</b>

Assessee by	Tanmay Phadke
Revenue by	R. Bhoopathi
<b>Date of Hearing</b>	<b>01/10/2019</b>
<b>Date of Pronouncement</b>	<b>01/10/2019</b>

**आदेश / O R D E R**

**PER G.MANJUNATHA (A.M):**

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals)-4, Mumbai, dated 10/07/2018 and it pertains to the Assessment Year 2012-13.

2. The assessee has raised the following grounds of appeal:-

*a. The order passed by the Ld.CIT(A) is contrary to law ad liable to be quashed and/or set aside.*

*b. The Ld.CIT(A) ought to have allowed the addition of Rs.2,50,000/- on account of receipt from Global Advertiser (Prop. Mr. Sanjiv Manmohan Gupta).*

*c. The Appellant craves leave to add/amend/alter the above grounds and prays that the present appeal be allowed.*

3. The brief facts of the case are that the assessee company is engaged in the business of Films and Cinema Production, filed its return of income for AY 2012-13 on 27/09/2012, declaring total loss at Rs. 2,55,120/-. The case was selected for scrutiny and the assessment has been completed u/s 143(3) of the I.T.Act, 1961 on 05/03/2015 and determined total income at Rs. 17,450/- by making additions towards amount received from M/s. Global Advertisers amounting to Rs. 2,50,000/- as per form 26AS, on the ground that said receipt has not been disclosed in profit and loss account. The Ld. AO had also made additions towards adhoc disallowance of 15% various expenditure. The assessee carried the matter in appeal before the first appellate authority. The Ld.CIT (A) for the detailed reasons recorded in his appellate order partly allowed, appeal filed by the assessee, where he had allowed relief in respect of Adhoc disallowance of certain expenditure. However, confirmed additions made by the Ld. AO towards amount received from M/s Global Advertisers. Aggrieved by the Ld.CIT(A) order, the assessee is in appeal before us.

4. We have heard both the parties, perused the material available on record and gone through orders of the authorities below. The factual matrix of the impugned dispute are that during the year under consideration, the assessee has received a sum of Rs. 2,50,000/- from M/s. Global Advertisers, for sponsorship of Audio cassette release of a future film produced. The assessee has organized audio release programme at hotel Sun-n-Sand and incurred an amount of Rs. 3,07,785/-. The assessee has debited payment made to Sun-n-Sand Hotels Pvt.Ltd amounting to Rs. 3,07,785/- to audio release expenses account and credited amount received from M/s. Global Advertisers amounting to Rs. 2,50,000/- and net balance of Rs. 57,785/- has been debited under the head audio release expenses in the profit and loss account. The Ld. AO has made additions towards amount received M/s Global Advertisers, on the ground that said receipt has not been included in profit and loss account. The Ld. CIT(A) confirmed additions made by the Ld. AO on similar grounds. The assessee has filed a paper book, which contains financial statements filed for the year under consideration. We find that the assessee has credited amount received from Global Advertisers to audio release expenses and debited amount paid to M/s Sun-n-Sand Hotel Pvt.Ltd towards organising audio release function to said account, and the difference

of Rs. 57,785/- has been debited into the profit and loss account under the head cast of production and shown under current assets and loans and advances in the balance sheet. All these evidences are part of paper book filed by the assessee. The assessee claims that said evidences has been filed before the Ld. AO, as well as Ld.CIT(A). Therefore, we are of the considered view that when, assessee has filed sufficient evidences to prove that amount received from M/s. Global Advertisers has been included into the profit and loss account against corresponding expenditure incurred for said purpose, there is no reasons for the Ld. AO, as well as Ld.CIT(A) to make additions towards amount received from M/s. Global Advertisers, towards sponsorship. Therefore, we are of the considered view that the Ld. AO was erred in making additions towards amount received towards sponsorship. The Ld.CIT(A) without appreciating the facts simply confirmed additions made by the Ld. AO. Hence, we reverse the findings of the Ld.CIT(A) and direct the AO to delete additions made towards amount received from Global Advertisers.

5. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open court on this 01 /10/2019

**Sd/-**  
**(RAM LAL NEGI)**  
JUDICIAL MEMBER

**Sd/-**  
**(G. MANJUNATHA)**  
ACCOUNTANT MEMBER

Mumbai; Dated 01/10/2019  
Thirumalesh Sr.PS

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. The CIT(A), Mumbai.
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

सत्यापित प्रति //True Copy//

BY ORDER,

(Asstt. Registrar)  
ITAT, Mumbai