

आयकर अपीलिय अधिकरण, पुणे न्यायपीठ “एक-सदस्य मामला” पुणे में
**IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH “SMC”, PUNE**

श्री डी. करुणाकरा राव, लेखा सदस्य के समक्ष
BEFORE SHRI D. KARUNAKARA RAO, AM

आयकर अपील सं. / **ITA No.339/PUN/2019**
निर्धारण वर्ष / **Assessment Year : 2014-15**

Hill View,
Office No.311, Gera Junction,
Lulla Nagar, Kondhawa,
Pune-411040.

PAN : AAHFH0867P

.... अपीलार्थी/Appellant

Vs.

ITO, Ward-14(3),
Pune.

.... प्रत्यर्थी / Respondent

अपीलार्थी की ओर से / Appellant by : Shri Pavan Auti
प्रत्यर्थी की ओर से / Respondent by : Shri Prashant Mahajan

सुनवाई की तारीख / Date of Hearing : 13.11.2019	घोषणा की तारीख / Date of Pronouncement: 13.11.2019
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आदेश / ORDER

PER D. KARUNAKARA RAO, AM :

This appeal is filed by the assessee against the order of CIT(A)-9, Pune dated 19.11.2018 for the Assessment Year 2014-15.

2. Before me, at the outset, ld. Counsel for the assessee brought my attention to the grounds and submitted that the assessee is a builder and developer and follows the project completion method. In the middle of the project development during the year under consideration, the Assessing Officer picked up the case for scrutiny under CASS and modified the working capital figures. The modification includes segregation of certain 15 accounts of the assessee to hold that the said expenditure constitutes “indirect” expenses and the same should be reduced from the working

capital. The Assessing Officer holds that only “direct” expenses should find place in the work in progress account of the project. Thus, the Assessing Officer made an addition of Rs.20,04,643/-, the sum of those 15 accounts. The CIT(A) confirmed the same merely relying on the Assessing Officer’s finding without giving categorical finding on each of the accounts how the same constitutes “indirect” expenses.

3. Aggrieved with the said decision of the CIT(A), the assessee is in appeal before the Tribunal.

4. Before me, ld. Counsel for the assessee read out the contention of para 7.2 of the order of the CIT(A) where the CIT(A) prematurely given a finding that entire set of the 15 accounts as indirect expenses. The CIT(A)/Assessing Officer never examined how these accounts are entirely of indirect expenses. In this background of fact, ld. Counsel brought our attention to the provisions of sub-section (6) of section 250 of the Act and submitted that the order passed by the CIT(A) is not in tune with the said provisions of the Act. Further, the ld. Counsel for the assessee submitted that the matter may be remanded to the file of the CIT(A) for fresh adjudication.

5. On the other hand, ld. DR for the Revenue heavily relied on the orders of the Assessing Officer and the CIT(A).

6. On hearing both the sides, I am of the considered opinion that the matter should be remanded to the file of the CIT(A) for fresh round of adjudication. In my view, the order passed by the CIT(A) does not

constitute a speaking order. Accordingly, the CIT(A) is directed to examine each of the 15 accounts of the assessee disallowed by the Assessing Officer and adjudicate how they are indirect expenses. Needless to say, the CIT(A) shall grant reasonable opportunity of being heard to the assessee in accordance with set principles of natural justice. With this direction, the matter is remanded to the file of the CIT(A) for fresh adjudication. Thus, the grounds raised by the assessee in this appeal are allowed for statistical purposes.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced on this 13th day of November, 2019.

Sd/-
(D. KARUNAKARA RAO)
लेखा सदस्य / ACCOUNTANT MEMBER

पुणे / Pune; दिनांक Dated : 13th November, 2019.
Sujeet

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order is forwarded to :

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-9, Pune;
4. The Pr. CIT-6, Pune;
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे "एक-सदस्य मामला" / DR 'SMC', ITAT, Pune;
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

Senior Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune