

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ 'बी' अहमदाबाद  
IN THE INCOME TAX APPELLATE TRIBUNAL  
"B" BENCH, AHMEDABAD

BEFORE SHRI RAJPAL YADAV, JUDICIAL MEMBER  
AND SHRI AMARJIT SINGH, ACCOUNTANT MEMBER

आयकर अपील सं./ ITA No. 1183/Ahd/2018

निर्धारण वर्ष/Assessment Year: 2014-15

M/s. Charotar Gas Sahakari Mandli Ltd., Gas House-11, GIDC, Nr. Gas Station, V.U. Nagar, Anand PAN : AAATC 1831 F	Vs.	The Income-tax Officer, Ward 2, Anand
<b>अपीलार्थी/ (Appellant)</b>		<b>प्रत्यर्थी/ (Respondent)</b>
Assessee by :		Mrs. Arti N. Shah, AR
Revenue by :		Shri Mudit Nagpal, Sr DR

सुनवाई की तारीख/Date of Hearing : 24/09/2019

घोषणा की तारीख /Date of Pronouncement: 21/11/2019

**आदेश/O R D E R**

**PER RAJPAL YADAV, JUDICIAL MEMBER:**

The assessee is in appeal before the Tribunal against the order of the Id. CIT(A)-4, Vadodara dated 30.01.2018 passed for Assessment Year 2014-15.

2. The assessee has taken three grounds of appeal which read as under:-

*"1. The Learned Commissioner of Income-tax (Appeals)-4, Vadodara has erred in law and on facts of the case by confirming the disallowance of Rs.40,000/- in respect of expenses.*

*2. The Learned Commissioner of Income Tax (Appeals)-4, Vadodara has erred in law and on facts of the case by confirming the disallowance of Rs.3,16,702/- paid as LIC premium of the staff.*

*3. Your appellant prays to reserve the right to add, alter, amend and/or withdraw any of the above grounds of appeal."*

3. The learned Counsel for the assessee did not press ground No.1; hence rejected.

4. Ground No.3 is a general ground of appeal, which does not call for recording of any specific finding; hence rejected.

5. As far as ground No. 2 is concerned, learned Counsel for the assessee at the very outset submitted that identical issue arose in Assessment Year 2011-12 and the dispute travelled upto the Tribunal. The Tribunal vide order dated 26<sup>th</sup> February 2018 in ITA No.412/Ahd/2016 set aside this issue to the file of the Assessing Officer for re-adjudication by recording following findings:-

*"2. The only grievance of the assessee is that the ld. CIT(A) erred in confirming the disallowance of Rs. 2,64,220/- being premium paid on the LIC Policy of the employees.*

*3. During the course of the scrutiny assessment proceedings, the A.O. noticed that the assessee has claimed expenses of Rs. 2,64,220/- on account of LIC premium in the name of several individual. The assessee was asked to furnish details of payment of LIC premium of Rs. 2,64,220/- . In its submission, the assessee stated that the expenditure was incurred for insurance of life of staff members of the assessee society. It was claimed that the expenditure should be allowed on the grounds of commercial expediency. It was brought to the notice of the A.O. that the nature of the business of the assessee is such that the life risk of its employees is very much on the higher side as they have to work on the gas pipelines which is very risky & prone to fire. The assessee contended that to safeguard the lives of its employees, the assessee agreed to pay insurance premium on their live and claimed the same as expenditure on the grounds of commercial expediency. The A.O. dismissed the claim of the assessee holding that the LIC premium was never considered as perquisite in the hands of the employee at the time of computing the TDS liability. Only when it was pointed out to the assessee, the assessee furnished the computation of taxability of employees after including the said premium. The A.O. was not convinced with the claim of the assessee and disallowed Rs. 2,64,220/-.*

*4. Assessee carried the matter before the ld. CIT(A) but without any success.*

*5. Before us, the ld. Counsel for the assessee stated that there are certain documents/details which need to be furnished in support of the claim.*

*6. We have given a thoughtful consideration to the orders of the authorities below. There is no dispute that the assessee has paid insurance premium on the policies taken in the name of the employees. The claim of the assessee that*

*the insurance policy is taken in the category of employer employee policy of the LIC needs verification. In our considered opinion, this is a fit case for restoration to the files of the A.O. for de novo assessment. We accordingly restore the entire assessment to the files of the A.O. The assessee is directed to furnish the details of the insurance policy. The assessee is further directed to show that the employees remained in employment throughout the year and further explained the procedure adopted by the assessee if in case, the employee leaves the employment and the insurance premium is paid on his policy. The A.O. is directed to verify the details afresh and then decide whether the insurance premium is to be allowed on the grounds of commercial expediency as business expenditure.*

*7. The appeal is allowed for statistical purpose with above directions."*

6. Since there is no disparity on the facts, therefore, we deem it appropriate to remit this issue to the file of the learned Assessing Officer to decide the same in accordance with the findings of the Tribunal in Assessment Year 2011-12 (extracted supra).

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

**Order pronounced in the Court on 21<sup>st</sup> November, 2019 at Ahmedabad.**

Sd/-

**(AMARJIT SINGH)**  
**ACCOUNTANT MEMBER**  
Ahmedabad; Dated 21/11/2019

*Sd/-, S. P. S.*

Sd/-

**(RAJPAL YADAV)**  
**JUDICIAL MEMBER**

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त(अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

TRUE COPY

उप/सहायक पंजीकार (Dy./ Asstt.Registrar)  
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad