

IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD “A” BENCH
(Conducted Through Virtual Court)
Before: **Shri Rajpal Yadav, Vice President**
And **Shri Amarjit Singh, Accountant Member**

ITA No. 912/Ahd/2018
Assessment Year 2014-15

Unison Insurance Broking Services Pvt. Ltd, 601-602, 6 th Floor, “AURUM”, Near Vasna H.P. Petrol Pump, Vadodara-390015 PAN: AAACU2865Q (Appellant)	Vs	The Deputy CIT, Circle-2(1)(1), Vadodara (Respondent)
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Revenue by: Shri S.S. Shukla, Sr. D.R.
Assessee by: Shri M.J. Shah, A.R.

Date of hearing : 22-03-2021
Date of pronouncement : 09-04-2021

आदेश/ORDER

PER : AMARJIT SINGH, ACCOUNTANT MEMBER:-

This assessee’s appeal for A.Y. 2014-15, arises from order of the CIT(A)-2, Vadodara dated 24-01-2018, in proceedings under section 143(3) of the Income Tax Act, 1961; in short “the Act”.

2. The brief fact of the case is that return of income declaring total income at Rs. 2,06,34,900/- was filed on 16th December, 2016. The case was subject to scrutiny assessment and notice u/s. 143(2) of the Act was

issued on 28th August, 2015. The assessment u/s. 143(3) of the Act was finalized on 16th December, 2016 and total income was determined at Rs. 2,42,17,920/-. Further facts pertaining to the issues contested in the instant appeal are discussed while adjudicating the grounds of appeal of the assessee as follows.

Ground No. 1(Addition of Rs. 12,03,693/- u/s. 36(1)(va) of the Act)

3. During the course of assessment, the Assessing Officer noticed that assessee has deposited employees contribution towards provident fund at Rs. 11,80,210/- and employees contribution towards ESIC amounting to Rs. 23,483/- beyond the period prescribed in the specified act. Consequently, the Assessing Officer has disallowed the total amount of Rs. 12,03,693/- pertaining to employees contribution towards EPF and ESIC u/s. 36(1)(va) of the act

4. Aggrieved assessee has filed appeal before the Id. CIT(A). The Id. CIT(A) has dismissed the appeal of the assessee reiterating the fact and reason for disallowance stated by the Assessing Officer.

5. Heard both the sides and perused the material on record. It is undisputed fact that assessee has paid employees contribution to PF and towards ESIC beyond the period prescribed in the specified act. Therefore following the decision of Hon'ble Gujarat High Court of Gujarat in the case of Gujarat State Road Transport Corporation 366 ITR 170 (Guj), we do not find any infirmity in the decision of Id. CIT(A). Therefore, this ground of appeal of the assessee is dismissed.

Ground Nos. 2 to 4 (Disallowance of interest expenses of Rs. 4,21,348/- u/s 40(a)(ia) of the Act)

6. During the course of assessment on examination of the detail filed by the assessee, the Assessing Officer observed that assessee has not deducted any tax in respect of payment of interest made to the following parties.

Sl. No.	Name of the NBFC from whom loan taken	Amount of Interest paid during the year (in Rs.)	Whether TDS deducted on interest payment
1	Bajaj Finance Ltd.	46,405/-	No
2	Tata Capital Ltd.	90,787/-	No
3	Volkswagon Finance Ltd.	2,84,156/-	No
	Total	4,21,348/-	

7. During the course of assessment, the counsel of the assessee voluntarily agreed before the Assessing Officer for the disallowance of aforesaid interest expenditure of Rs. 4,21,348/- as the assessee has not deducted tax on the interest payment. Accordingly, the Assessing Officer has disallowed the aforesaid payment of interest expenditure u/s. 40(a)(ia) of the Act.

8. Aggrieved assessee has filed appeal before the Id. CIT(A). The Id. CIT(A) has dismissed the appeal of the assessee.

9. Heard both the sides and perused the material on record. During the year under consideration, the assessee has made interest payment to Bajaj Finance Ltd., Tata Capital Ltd. and Volkswagon Finance Ltd totaling to Rs. 4,21,348/- liable for deduction of tax u/s. 194A of the Act. The Assessing Officer has made disallowance of aforesaid interest expenditure as per provision of section 40(a)(ia) of the Act on the ground that assessee has failed to deduct tax u/s. 194 of the Act. The assessee has not furnished any

material to controvert the aforesaid finding of the Assessing Officer for not making compliance with the provision of section 40(a)(ia) of the Act. In addition to above, it is also noticed that counsel of the assessee has voluntarily agreed for the disallowance of interest expenditure since the assessee has failed to make compliance with the provision of section 40(a)(ia) of the Act. Keeping in view of the aforesaid undisputed facts and circumstances, we do not find any infirmity in the decision of Id. CIT(A). Therefore, this ground of appeal of the assessee is also dismissed.

10. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 09-04-2021

Sd/-
(RAJPAL YADAV)
VICE PRESIDENT
Ahmedabad : Dated 09/04/2021

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद