

**IN THE INCOME TAX APPELLATE TRIBUNAL  
[ DELHI BENCH "G": NEW DELHI ]**

**BEFORE MS. SUCHITRA KAMBLE, JUDICIAL MEMBER  
AND  
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER  
(Through Video Conferencing)**

ITA. No. 6385/Del/2017  
(Assessment Year : 2012-13)

M/s. Triveni Engineering and Industries Ltd., 8 <sup>th</sup> Floor, Express Trade Tower, 15 – 16, Sector : 16A, Noida – 201 301. <b>PAN: AABCT6370L</b>	Vs.	ACIT, Central Circle, Noida.
(Appellant)		(Respondent)

Assessee by :	Shri Rohit Jain, Advocate; & Ms. Somya Jain, C. A.;
Department by :	Shri H.K. Chaudhary [CIT]-D.R.;
Date of Hearing	16/09/2021
Date of pronouncement	29/10/2021

**ORDER**

**PER PRASHANT MAHARISHI, A. M.**

1. This Appeal is filed by the assessee against the order of the ld. Commissioner of Income Tax (Appeals)-I, Noida, dated 17.10.2016.
2. The only issue involved in this appeal is confirmation of the disallowance of expenses of Rs.4,91,784/-, which is related to this assessment year, but debited in the books of accounts in the profit and loss account in subsequent year. The ld. Assessing Officer made a disallowance which is confirmed by the ld. CIT (Appeals) and, therefore, assessee is in appeal before us.
3. The brief facts show that assessee is a company engaged in the business of production of sugar and other items. It filed its return of income on 29.09.2012 declaring a loss of Rs.9,05,18,948/-. Return was revised on 14<sup>th</sup> March, 2014 at Rs.93,18,03,536/-. Assessment under Section 143(3) of the Income Tax Act, 1961 (the Act) was made where the loss was assessed at Rs.81,95,59,705/-.

4. The only issue in this appeal is with respect to disallowance of Rs.4,91,784/-. In the revised return filed by the assessee it has claimed these expenditure in this year. However, same were debited in the profit and loss account in the subsequent year. The assessee's claim is that these are the expenses of revenue nature pertaining to current year, but accounted for in subsequent year. Details of such expenses was furnished. In the subsequent year these expenditure were held to be prior period expenditure and disallowed in the computation of total income. The Assessing Officer did not accept the argument of the assessee stating that there is no justification given by the assessee as to why these expenses are accounted for in the subsequent year, but not in this year, so disallowance be made which was confirmed by the ld. CIT (Appeals).
5. We have heard the rival contentions and perused the orders of the lower authorities. We find that the assessee has given the details of these expenditure and has shown that they are pertaining to current year. Therefore, the claim of the assessee is that expenditure should be allowed in the year in which they are incurred. Those expenses might have been not accounted for in the current year, but in subsequent year. For this reason only the same were classified in subsequent year as prior period expenditure. In the subsequent year same were disallowed by the assessee. There is no need for any justification as to why these expenses have not been accounted for in this year. If the expenses are incurred and expended wholly and exclusively for the purposes of the business, they should be allowed as deduction in the year in which those are incurred or expended. Assessee has satisfied this condition. In view of this, we do not find any justification in upholding the disallowance.
6. Accordingly, the disallowance of Rs.4,91,784/- is directed to be deleted and the appeal of the assessee is allowed.

Order pronounced in the open court on : 29/10/2021.

**Sd/-**  
**(SUCHITRA KAMBLE)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(PRASHANT MAHARISHI)**  
**ACCOUNTANT MEMBER**

Dated : 29/10/2021

\*MEHTA\*

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1. Appellant;
2. Respondent
3. CIT
4. CIT (Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi

Date of dictation	29.10.2021
Date on which the typed draft is placed before the dictating member	29.10.2021
Date on which the typed draft is placed before the other member	29.10.2021
Date on which the approved draft comes to the Sr. PS/ PS	29.10.2021
Date on which the fair order is placed before the dictating member for pronouncement	29.10.2021
Date on which the fair order comes back to the Sr. PS/ PS	29.10.2021
Date on which the final order is uploaded on the website of ITAT	29.10.2021
date on which the file goes to the Bench Clerk	29.10.2021
Date on which the file goes to the Head Clerk	
The date on which the file goes to the Assistant Registrar for signature on the order	
Date of dispatch of the order	