

आयकर अपीलीय अधिकरण
IN THE INCOME TAX APPELLATE TRIBUNAL,
'SMC' BENCH, KOLKATA

Before Dr. Manish Borad, Accountant Member

I.T.A. No. 378/KOL/2022
Assessment Year: 2020-2021

Traco Enterprises,.....Appellant
C/o. Subash Agarwal & Associates,
Advocates,
Siddha Gibson,
1, Gibson Lane, Suite-213, 2nd Floor,
Kolkata-700069
[PAN: AABFT9441P]
-Vs.-

ADIT, CPC,.....Respondent
Centralised Processing Centre,
Income Tax Department,
Bengaluru-560500, Karnataka

Appearances by:

Shri Siddharth Agarwal, Advocate, for the Appellants
Shri Vijay Kumar, Addl. CIT, Sr. D.R., for the Respondent

Date of concluding the hearing : September 14, 2022
Date of pronouncing the order : September 15, 2022

आदेश

O R D E R

This appeal at the instance of assessee for assessment year 2020-21 is directed against the order of Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 20.05.2022 passed under section 250 of the Income Tax Act, 1961.

2. At the outset, Id. Counsel for the assessee submitted that the alleged addition for contingent sales tax liability of Rs.15,88,966/- is not justified as the same has not been routed through the Profit & Loss Account. On the other hand, Id. D.R. failed to controvert this fact.

3. I have heard the rival contentions and perused the relevant material placed before me. I find that the Centralised Processing Centre while processing the return of the assessee for A.Y. 2020-21 made an addition for contingent sales tax liability at Rs.15,88,966/- on the basis of the observation of the Tax Audit report of the assessee furnished in Form 3CD by the auditor. As submitted by the Id. Counsel for the assessee, rectification application was filed stating that the tax auditor inadvertently filled that column and the same was rejected. Appeal before the Id. CIT(Appeals) on this issue also did not bring any relief to the assessee. Id. Counsel for the assessee took me through the audited financial statement. On perusal of page 4 of the paper book, which shows the manufacturing, trading and Profit & Loss account for the year ended on 31.03.2020 and I find that no such expenditure in respect of contingent sales tax liability at Rs.15,88,966/- has been debited in the Profit & Loss Account. This fact stands uncontroverted by the revenue authorities. Under these facts and circumstances, where the alleged sum has not been claimed as expenditure in the books of account, disallowance made in the on-line processing is not justified. I, therefore, set aside the order of Id. CIT(Appeals) and delete the addition made for contingent sales tax liability.

4. In the result, the appeal of the assessee is allowed.

Order pronounced in the open Court on September 15th, 2022.

Sd/-
(Manish Borad)
Accountant Member
Kolkata, the 15th day of September, 2022

Copies to : (1) **Traco Enterprises,**
C/o. Subash Agarwal & Associates, Advocates,
Siddha Gibson,
1, Gibson Lane, Suite-213, 2nd Floor, Kolkata-700069

(2) **ADIT, CPC,**
Centralised Processing Centre,
Income Tax Department,
Bengaluru-560500, Karnataka

- (3) *Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi,*
- (4) *Commissioner of Income Tax- ,*
- (5) *The Departmental Representative*
- (6) *Guard File*

TRUE COPY

By order

*Assistant Registrar,
Income Tax Appellate Tribunal,
Kolkata Benches, Kolkata*

Laha/Sr. P.S.