

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH "B", PUNE

BEFORE SHRI S. S. GODARA, JUDICIAL MEMBER  
AND  
SHRI G. D. PADMAHSHALI, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.662/PUN/2018  
निर्धारण वर्ष / Assessment Year: 2014-15

Siddheshwar Sahakari Sakhar Karkhana Ltd., Maniknagar, Taluka- Sillod, Dist. Aurangabad. PAN : AABAS6026L	Vs.	ACIT-1, Aurangabad.
Appellant		Respondent

Assessee by : None  
Revenue by : Shri M. G. Jasnani

Date of hearing : 28.09.2022  
Date of pronouncement : 10.10.2022

**आदेश / ORDER**

**PER S. S. GODARA, JM:**

This assessee's appeal for assessment year 2014-15 arises against the CIT(A)-1, Aurangabad's order dated 02.01.2018 passed in case no. ABD/CIT(A)-1/285/2016-17, involving proceedings u/s 143(3) of the Income Tax Act, 1961; in short "the Act".

Case called twice. None appears at assessee's behest. It had also not appeared on 24.11.2021, 03.02.2022, 11.07.2022, 12.07.2022 and 21.07.2022 as well. The assessee is proceeded *ex-parte* therefore.

2. The assessee raises twin substantive grounds in the instant appeal as follows :-

*“1. On the facts and in the circumstances of the case and in law the Learned Assessing Officer erred in making addition of Rs.1,87,76,443/- being alleged excess claim of harvesting and transport actual charges incurred by your appellant society, the entire action is arbitrary and is in violation of CBDT circular no.6/2007 dated 11/10/2007.*

*2. On the facts and in the circumstances of the case and in law the Learned CIT(A) erred in confirming the above addition by relying on the ratio of Hon’ble Supreme Court in the case of CIT vs. SatpadaTapi SSK 326 ITR 42, the facts of the case do not have any connection whatsoever with the issue raised before CIT(A), being harvesting and the transport charges disallowed by Learned Assessing Officer and therefore the action of confirming the arbitrary addition of Rs.1,87,76,443/- is incorrect and deserves to be deleted in its entirety.”*

3. Mr. Jasnani vehemently argued that both the learned lower authorities have rightly disallowed/added the impugned excess claim of harvesting and actual transport charges amounting of Rs.1,87,76,443/- during the course of assessment dated 27.12.2016 as upheld in the CIT(A)’s order. We have given our thoughtful consideration to the foregoing sole issue of disallowance of alleged excess harvesting and actual transport charges. Suffice to say, there is hardly any dispute in light of the Assessing Officer’s detailed discussion in para 4 that he had gone by assessee’s resolution specifying the impugned charges at the rate of Rs.384.06/MT. He therefore worked out the assessee’s claim to Rs.2,11,93,630/- only and treated the impugned balance sum as excess payment.

4. We find no merit in the assessee’s instant sole substantive grievance in principle as it has failed to prove the impugned sum as incurred in light of the approved rates in the Board’s resolution. The fact also remains that keeping in mind the assessee’s business

segment of a “cooperative sugar karkhana” involving cane growers residing in remote areas not connected by road network nor served by regular transport system, we are of opinion that such excess payment during the peak crushing season could not be all together ruled out. Faced with this situation, we are of the opinion that a lump-sum disallowance of Rs.1 crore out of the impugned sum involving Rs.1,87,76,443/- would be just and proper subject to the rider that the same shall not be treated as a precedent. Ordered accordingly. The assessee gets relief of Rs.87,76,443/- in other words. Necessary computation shall be follow as per law.

5. This assessee’s appeal is partly allowed in above terms.

Order pronounced on this 10<sup>th</sup> day of October, 2022.

Sd/-  
(G. D. PADMAHALI)  
ACCOUNTANT MEMBER

Sd/-  
(S. S. GODARA)  
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 10<sup>th</sup> October, 2022.

*Sujeet (DOC)*

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A)-1, Aurangabad.
4. The Pr. CIT-1, Aurangabad.
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, “B” बेंच,  
पुणे / DR, ITAT, “B” Bench, Pune.
6. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

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