

**आयकर अपीलीय अधिकरण, कोलकाता पीठ 'बी', कोलकाता**  
**IN THE INCOME TAX APPELLATE TRIBUNAL "B" BENCH KOLKATA**

**श्री संजय गर्ग, न्यायिक सदस्य एवं श्री मनीष बोरड, लेखा सदस्य के समक्ष**  
Before Shri Sanjay Garg, Judicial Member and Dr. Manish Borad, Accountant Member

I.T.A No.618/Kol/2023  
Assessment year: 2016-17

Alpha National Trading Co.....Appellant  
C/o Sri Jitendra Kaushik, Advocate,  
19D, Muktaram babu Street,  
Kolkata- 700007.  
[PAN: AATFA1401A]

vs.

ACIT, Circle-29, Kolkata.....Respondent

**Appearances by:**

Shri Sunil Surana, AR, appeared on behalf of the appellant.

Shri P. P. Barman, Addl. CIT-DR, appeared on behalf of the Respondent.

Date of concluding the hearing : August 03, 2023

Date of pronouncing the order : September 27, 2023

**आदेश / ORDER**

**संजय गर्ग, न्यायिक सदस्य द्वारा / Per Sanjay Garg, Judicial Member:**

The present appeal has been preferred by the assessee against the order dated 09.06.2023 of the National Faceless Appeal Centre (hereinafter referred to as the 'CIT(A)') passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act').

2. The assessee in this appeal has taken the following grounds of appeal:

*"1. For that on the facts and circumstances of the case the Ld. Commissioner of Income-tax (Appeals) National Faceless Appeal Centre, has erred in confirming Disallowance of a sum of Rs. 4,12,098/- out of*

*Rs.6,24,070/- of Public Relation Expenses made by Ld. ACIT, Circle 29, Kolkata on the alleged ground of personal use and not incidental to the business*

*2. For that on the facts and circumstances of the case the Ld. Commissioner of Income-tax (Appeals) National Faceless Appeal Centre, has erred in confirming Disallowance of a sum of Rs. 9,29,860/- out of Rs.37,19,439/- of Travelling and conveyance expenses made by Ld. ACIT, Circle 29, Kolkata on the alleged ground of not utilization for business purpose.*

*3 For that on the facts and circumstances of the case the Ld. Commissioner of Income-tax (Appeals) National Faceless Appeal Centre, has erred in confirming Disallowance of a sum of Rs. 1,72,210/- being 10% of interest on car loans Rs. 17,22,100/- made by Ld. ACIT, Circle 29, Kolkata on the alleged ground of personal use.*

*4. For that the appellant craves leave to add, to alter, to amend the above grounds of appeal on or before the hearing of appeal.”*

3. A perusal of the above grounds of appeal would reveal that the assessee is aggrieved by the action of the lower authorities in making/confirming the addition on account of disallowance of expenditure incurred in relation to public relation expenses, travelling and conveyance expenses and interest on car loans.

4. The ld. Counsel for the assessee before the lower authorities has duly explained that the business of the assessee is of liaisoning and to procure, facilitate, provide logistics etc. to foreign manufacturer suppliers and to provide/facilitate the procuring of material for railways from the aforesaid foreign companies. The relevant part of the submissions of the assessee before the CIT(A) in this respect are reproduced as under:

*"THE INHERENT NATURE OF APPELLANT FIRM BUSINESS IS TO PROCURE, FACILITATE, PROVIDE LOGISTICS SUPPORT FOR IMPLEMENTATION ON BEHALF OF FOREIGN MANUFACTURER SUPPLIER FOR OBTAINING ORDERS FROM MINISTRY OF RAILWAY, GOVT. OF INDIA BY WAY OF PARTICIPATION BY SUCH FOREIGN MANUFACTURES*

*IN GLOBAL TENDERS FLOATED BY MINISTRY OF RAILWAYS, GOVT. OF INDIA FOR ITS DIFFERENT RAILWAY ZONES FROM TIME TO TIME ON REGULAR BASIS. APPELLANT FIRM ARRANGES BUSINESS MEET IN INDIA OF FOREIGN MANUFACTURERS DELEGATIONS COMING FROM ACROSS THE WORLD FROM TIME TO TIME. THE APPELLANT FIRM TAKES EFFORTS IN AT TENDING THE BUSINESS DELEGATION FOR PROCUREMENT, FACILITATION, PROVISION FOR LOGISTIC SUPPORT FOR IMPLEMENTATION OF E-GLOBAL TENDERS FLOATED BY MINISTRY OF RAILWAYS, GOVT OF INDIA FOR ITS DIFFERENT ZONES FROM TIME TO TIME ON REGULAR BASIS THE APPELLANT FIRM HAS INCURRED OF RS. 624070/- FOR PUBLIC RELATION EXPENSES, RS. 3719439/- FOR TRAVELLING AND CONVEYANCE AND RS. 4766552/- FOR DEPRECIATION ON MOTOR CARS AND INTEREST ON MOTOR CAR LOANS, MOTOR CAR RUNNING EXPENSES AND MOTOR CAR PARKING EXPENSES"*

5. From the above submissions, it can be gathered that the expenses incurred by the assessee on account of public relation expenses, travelling and conveyance expenses and motor car interest expenses owing to the nature of the business of the assessee, were business expenses only. We, therefore, do not find justification on the part of the lower authorities in making the impugned disallowance and the same is accordingly ordered to be deleted.

6. In the result, the appeal of the assessee stands allowed.

***Kolkata, the 27<sup>th</sup> September, 2023.***

Sd/-  
[डॉक्टर मनीष बोराड /Dr. Manish Borad]  
लेखा सदस्य /Accountant Member

Sd/-  
[संजय गर्ग /Sanjay Garg]  
न्यायिक सदस्य /Judicial Member

Dated: 27.09.2023.

RS

*Copy of the order forwarded to:*

1. Alpha National Trading Co
2. ACIT, Circle-29, Kolkata
3. CIT(A)-

4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches