

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR “SMC” BENCH : NAGOOR

[THROUGH VIRTUAL HEARING AT ITAT : PUNE]

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

I.T.A.No.124/NAG./2020
Assessment Year 2018-2019

Chawla Saree Depot, Chawla House, Opp. Tahsil Police Chowki, Gandhibagh, Nagpur - 440 002 Maharashtra. PAN AAJFC7405L	vs.	The DCIT, Central Processing Centre, Income Tax Department, Bangalore. PIN – 560 500
(Appellant)		(Respondent)

For Assessee :	Shri Kapil Hirani, Advocate
For Revenue :	Shri Abhay Y. Marathe, Sr. DR

Date of Hearing :	18.03.2024
Date of Pronouncement :	03.05.2024

ORDER

This assessee’s appeal for assessment year 2018-2019 arise against the CIT(A)-1, Nagpur, Nagpur's Order No.CIT(A)-1/ 117/2019-20, dated 22.07.2020, involving proceedings u/s.143(1) of the Income Tax Act, 1961 (in short “the Act”).

Heard both the parties. Case file perused.

2. It emerges during the course of hearing that the assessee’ herein is aggrieved against both the learned lower authorities action disallowing it’s club expenditure claim of Rs.1,29,370/- as per DCIT, CPC, Bangalore’s “processing”

dated 18.01.2019 as upheld in the CIT(A)'s lower appellate order under challenge.

3. It is in this factual backdrop that the sole substantive issue which arises for tribunal's apt adjudication is legal in nature since the assessee's stand is that the same ought not to have been disallowed in sec.143(1)(a)(iv) of the Act.

4. The Revenue has strongly supported both the learned lower authorities action making the impugned disallowance by way of "intimation/processing" under the foregoing statutory provisions.

5. I have given my thoughtful consideration to the foregoing vehement rival stands and find no merit in Revenue's arguments supporting the impugned disallowance(s). This is for the precise reason that sec.143(1)(a)(iv) comes into play only as "disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return." The Learned DR failed to pin-point any such indication of the impugned disallowance(s) in assessee's audit report. That being the case, this tribunal is of the considered opinion that both the learned lower authorities have erred in law and on facts in making the impugned disallowance. The assessee

succeeds in its instant sole substantive grievance in very terms. Ordered accordingly.

6. This assessee's appeal is allowed in above terms.

Order pronounced in the open Court on 03.05.2024.

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Pune, Dated 03rd May, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr. CIT, Nagpur concerned
4.	D.R. ITAT, "Nagpur-SMC" Bench, Nagpur.
5.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,
Pune.