

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI "D" BENCH : MUMBAI

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER

ITA.No.4330/Mum./2023
Assessment Year 2017-2018

Mr. Rahul Janak Dwarkadas, 51-Mulla House, M G Road, Fort, Mumbai – 400 001. Maharashtra.PAN AATPD6160H	vs.	The DCIT, CPC, Income Tax Department, Bengaluru – 560 500. Karnataka.
(Appellant)		(Respondent)

For Assessee :	Shri Ashit Ved
For Revenue :	Smt. Mahita Nair, Sr. DR

Date of Hearing :	11.07.2024
Date of Pronouncement :	18.07.2024

ORDER

PER SATBEER SINGH GODARA, J.M.

This assessee's appeal, for assessment year 2017-2018, arises against the National Faceless Appeal Centre [in short the "NFAC"] Delhi's Din and Order No. ITBA/NFAC/S/250/2023-24/1057313029(1) dated 25.10.2023, in proceedings u/s.154 of the Income Tax Act, 1961 (in short "the Act").

Heard both the parties. Case file perused.

2. The assessee pleads the following substantive grounds in the instant appeal :

1. *“The Learned Commissioner of Income Tax (Appeals)-National Faceless Appellate Centre [CITA] has erred in law and in facts and circumstances of the case in upholding the intimation Order dated 31.10.2019 passed u/s.154 r.w.s.143(1) of the Act bearing DIN-CPC/1718/U3/1946649051 in determining the income at Rs.1,71,59,230/- as against the returned income of Rs.1,37,07,110/-.*
2. *The Ld. CITA has erred in law and in facts in passing the order without observing the principles of natural justice.*
3. *The Ld. CITA has erred in upholding that the Ld. Assessing Officer - Central Processing Centre [CPC] has jurisdiction to make adjustments u/s.143(1)(a) of the Act in respect of debatable issue.*
4. *The Ld. CITA has erred in law and in facts in confirming the disallowance of Rs.34,52,143/- being Club Fees.*

5. The Appellant craves leave to add to, amend, alter and/or delete any of the forgoing grounds of appeal.”

3. Coming to the assessee's sole substantive grievance challenging correctness of its club expenditure disallowance amounting to Rs.34,52,143/- claimed as having incurred 'wholly and exclusively for the purpose of business'; it emerges at the outset that the same came to be made by way of CPC's sec.143(1)(a) "processing" at Bengaluru.

3. Mrs. Nair has vehemently supported the impugned disallowance that such a claim is not allowable as regular business expenditure in light of the various case laws.

4. We note in this factual backdrop tht sec.143(1)(a)(i) to (iv) prescribes for such a disallowance only as based on either any arithmetic error in the return or an incorrect claim borne from any information therein under sub-clause (a) or that indicated in the audit report but not taken into account in computing such total income; as the case may be. Learned DR could not pinpoint any supportive material in the case file suggesting the assessee's

impugned claim as falling in either sec.143(1)(a) or (a)(i)(ii) or (iv) of the Act. We are of the considered view in this factual backdrop that both the learned lower authorities have erred in law and on facts in disallowing the assessee's impugned claim in sec.143(1)(a) "processing". The same stands deleted. Ordered accordingly.

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

Order pronounced in the open Court on 18.07.2024

Sd/-
[GIRISH AGARWAL]
ACCOUNTANT MEMBER

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Mumbai, Dated 18th July, 2024

VBP/-
Copy to

1.	The applicant
2.	The respondent
3.	The Pr. CIT, Mumbai concerned
4.	D.R. ITAT, "D" Bench, Mumbai.
5.	Guard File.

//By Order//

//True Copy //

Asst. Registrar, ITAT, Mumbai Benches,
Mumbai.