

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH : BY VIRTUAL HEARING**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND  
SHRI SOUNDARARAJAN K, JUDICIAL MEMBER**

ITA No.793/Coch/2022
Assessment Years : 2014-15

Focused Solutions Inc, 40/7132A, Bharat Arcade, IIIrd Floor, M.G Road, Ernakulam – 682 035.  <b>PAN – AABFF 2082 L</b>	Vs.	The Income Tax Officer, Non Corporate Ward-2(5), Kochi.
APPELLANT		RESPONDENT

Assessee by	:	Shri P.M Veeramani, C.A
Revenue by	:	Smt. Girly Albert, Snr. DR

Date of hearing	:	10.09.2024
Date of Pronouncement	:	15.10.2024

**ORDER**

**PER WASEEM AHMED, ACCOUNTANT MEMBER:**

This is an appeal filed by the assessee against the order passed by the NFAC, Delhi dated 23/06/2022 in DIN No. ITBA/NFAC/S/250/2022-23/1043553104(1) for the assessment year 2014-15.

2. The only issue raised by the assessee is that the Id. CIT(A) erred in confirming the disallowance of the salary paid to 52 employees amounting to Rs. 15,85,794/- on account of non-availability of current address/contact numbers.

3. The AO during the assessment proceedings found that the assessee could not furnish the current address and contact Nos. of 52 employees out of 233 employees engaged by him. Thus, the AO disallowed the amount of salary attributable to such employees amounting to Rs. 15,85,794/- holding that such expenses were not incurred for the purposes of the business. The view taken by the AO was subsequently confirmed by the Id. CIT(A).

4. Being aggrieved by the order of the Id. CIT(A), the assessee is in appeal before us.

5. The Id. AR before us filed a paper book running from pages 1 to 42 and contended that the people were engaged in the assessment year 2014-15 for short period of time. Furthermore, there is high labour turnover in the business activity of the assessee, therefore, the assessee could not locate the current address and contact numbers of 52 employees. The Id. AR further submitted that similar amount of salary was accepted by the revenue in the earlier and later assessment years while framing the assessment u/s 143(3) of the Act. The Id. AR in support of his contention drew our attention at page 29 of the paper book.

6. On the other hand, the Id. DR vehemently supported the orders of the authorities below.

7. We have heard the rival contentions of both the parties and perused the materials available on record. Undeniably the onus lies upon the assessee to furnish supporting evidence with respect to the expenditure claimed in the profit and loss account. Indeed, in the present

case, the assessee failed to discharge the onus cast upon it. However, since similar amount of salary was accepted by the revenue in the earlier and later years as evident from the details placed on page 29 of the paper book. Therefore, we are not inclined to uphold the disallowance made by the authorities below. Nevertheless, to curb any possible leakage of revenue and in the interest of justice to both the parties, we confirm the ad-hoc disallowance of Rs. 2 lakhs to the total income of the assessee. Hence, the ground of appeal of the assessee is hereby partly allowed.

8. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced in court on 15<sup>th</sup> day of October, 2024

Sd/-

**(SUNDARARAJAN K)**  
Judicial Member

Sd/-

**(WASEEM AHMED)**  
Accountant Member

Bangalore  
Dated, 15<sup>th</sup> October, 2024

/ vms /

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore