

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F', NEW DELHI**

**Before Sh. Satbeer Singh Godara, Judicial Member
&**

Sh. Naveen Chandra, Accountant Member

ITA No. 4963/Del/2024 : Asstt. Year : 2018-19

Punjab National Bank, Plot No. 4, Sector-10, Dwarka, New Delhi-110075	Vs	DCIT, Circle-19(1), New Delhi-110002
(APPELLANT)		(RESPONDENT)
PAN No. AAACP0165G		

Assessee by : Sh. Vivek Gupta, CA

Revenue by : Sh. Sumer Singh Meena, CIT-DR

Date of Hearing: 01.05.2025	Date of Pronouncement: 01.05.2025
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ORDER

Per Satbeer Singh Godara, Judicial Member:

This assessee's appeal for Assessment Year 2018-19, arises against the CIT(A)/NFAC, Delhi's DIN & order No. ITBA/NFAC/S/250/2024-25/1068184484(1) dated 30.08.2024, in proceedings u/s 143(3) of the Income Tax Act, 1961 (in short "the Act").

2. Heard both the parties at length. Case file perused.
3. Coming to the assessee's sole substantive ground canvassed in the instant appeal seeking to reverse both the learned lower authorities' action disallowing its club subscription fee paid for acquiring membership, amounting to

Rs.12,62,175/-, we note that the CIT(A)/NFAC has affirmed the assessment findings to this effect as under:

"4.9 Ground No. 9 is regarding disallowance of club fee of Rs.12,62,175/-.

4.9.1. In this regard assessee has submitted that Ld. AO while making this disallowance has stated that Fee of Rs.11,38,050/- paid towards subscription fee of Mayar health resorts ltd. and Rs.1,24,125/- paid towards subscription fee of Taj are not wholly and exclusively for the purpose of business and therefore not allowable.

However, no specific reason or any other argument has been given by the Ld. AO for the same. Bank has paid club fee and such clubs are used for holding the business meeting with its clients and accordingly the said expenses have been incurred wholly and exclusively for the purpose of business and therefore the same are allowable.

4.9.2. Though appellant has submitted that AO has not furnished any specific reason or argument for disallowance however assessee has also not submitted any substantial argument or document that such club expenses is related to any business expenses."

4. Both the parties' vehement submissions reiterate their respective stand against and in support of the impugned disallowance. The Revenue's case more particularly is that it was the assessee's onus to plead and prove before the learned lower authorities that the impugned expenditure of club membership had been incurred wholly and exclusively for the purpose of its business. We find no reason to sustain the impugned disallowance as hon'ble apex court in CIT Vs. United Glass Mfg. Co. Ltd. (2012) 28 taxmann.com 429 (SC) has already settled the instant issue in assessee's favour and

against the department that such a claim is indeed allowable as regular business expenditure u/s 37 of the Act. We thus find merit in the assessee's instant sole substantive ground which is hereby accepted in very terms.

5. No other grounds or argument has been pressed before us.

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

Order Pronounced in the Open Court on 01/05/2025.

Sd/-

(Naveen Chandra)
Accountant Member

Dated: 01/05/2025

Subodh Kumar, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

(Satbeer Singh Godara)
Judicial Member

ASSISTANT REGISTRAR