

**IN THE INCOME TAX APPELLATE TRIBUNAL,
KOLKATA-PATNA 'e-COURT', KOLKATA
[Hybrid Court Hearing]**

Before Shri Duvvuru RL Reddy, Vice-President (KZ)

**I.T.A. No. 695/PAT/2024
Assessment Year: 2016-2017**

***Mukul Electric & Electronic Training
Institute,.....Appellant
Mirganj, Gopalganj-841438,
Bihar
[PAN:AAFAM8410J]***

-Vs.-

***Income Tax Officer,.....Respondent
Ward-2(4), Siwan,
National Faceless Appeal Centre (NFAC),
Income Tax Department, Delhi-110001***

Appearances by:

*Shri Bandhu Gupta, A.R. appeared on behalf of the
assessee*

*Shri Ashwani Kr. Singal, JCIT, appeared on behalf of
the Revenue*

Date of concluding the hearing: March 10, 2025

Date of pronouncing the order: May 29, 2025

O R D E R

The present appeal is directed at the instance of assessee against the order of Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 11th October 2024 passed for Assessment Year 2016-17.

2. Brief facts of the case are that the assessee is an AOP and runs Industrial Training Institute, affiliated with Government of India. The appellant-AOP was registered under the Indian Societies Act, 1860 bearing Registration No. 591/1985-86 dated 07.02.1985. The appellant-AOP is also registered with National Vocational Training Centre bearing Registration No. DGET-6/4/93-TC; DGT-12/1/2016-TC and also obtained Certificate from the Director General of Engineering and Training, Government of India. According to the directions of the Director General of Engineering and Training, the fees was fixed and number of students also fixed by them by the above authority. The assessee-AOP is also maintaining the books of account, which is audited by qualified Chartered Accountant. The main expenditure account of the assessee-AOP is the expenses of salary to the office staff, electrician trade staff, power and fuel charges, wages, staff welfare, employees' contribution to PF., legal & professional expenses, office expenses, printing and stationery and other repairs and maintenance and the total expenses were shown during the impugned assessment year at Rs.46,08,808/-. The assessee-AOP has declared the income from other sources amounting to Rs.46,08,808/- and has claimed deduction under section 57 of the Income Tax Act of the amount towards various heads including cleaning and refreshment Tea and Samosa. The ld. Assessing Officer disallowed the entire expenses of Rs.46,08,800/-. The assessee has already attached a copy of Income & Expenditure Account for the year ended 31st March, 2016 to speak volume that the plea of the assessee was not considered properly and the ld. Assessing Officer failed to consider

even a single paisa as allowable expenditure. On being aggrieved, the assessee preferred an appeal before the ld. CIT(Appeals).

3. The ld. CIT(Appeals) after considering the submission raised by the assessee, dismissed the appeal filed by the assessee.

4. On being aggrieved, the assessee preferred an appeal before the ITAT.

5. I have heard both the sides. The main contention of the ld. Counsel for the assessee is that the ld. Assessing Officer as well as ld. CIT(Appeals) have not properly considered the statutory expenditure incurred as per the directions of the Director General of Engineering and Training. He further submitted that the assessee is maintaining the books of account and all the expenses are supporting with vouchers but without considering the vouchers arbitrarily disallowed the entire expenditure and without even giving any valid reason for disallowing the expenditure. Therefore, the ld. Counsel pleaded before the Tribunal to set aside the orders of both the lower authorities and remit the matter back to the file of ld. Assessing Officer to re-examine the expenditure incurred by the assessee and pass a speaking order.

6. On the other hand, ld. Departmental Representative submitted that the ld. Assessing Officer and ld. CIT(Appeals) have considered the nature of the expenditure and made disallowances, therefore, the orders passed by the lower authorities be upheld.

7. I have perused the material available on record. It is an admitted fact that the assessee-AOP was registered under the Indian Societies Act and it is working under the guidelines issued by the Director General of Engineering and Training, which is Government Organization. It is also an admitted fact that fixing the number of students and collecting of fees are by the assessee-AOP as directed by the Director General of Engineering & Training. On perusal of the details given by the assessee, most of the expenditures are salary, wages, fuel and all are basic minimum requirements to run the Institute. Admittedly, the assessee's books of account were duly audited by the qualified Chartered Accountant. Therefore, I am of the view that it is a fit case to remit the matter back to the file of Id. Assessing Officer to examine the expenditure incurred by the assessee and also examine the vouchers filed by the assessee and pass a speaking order. At the same breath, I also hereby caution the assessee to promptly cooperate with the proceedings before the Ld. Assessing Officer failing which the Ld. Assessing Officer shall be at liberty to pass appropriate order in accordance with law and merits based on the materials available on the record. Thus, the grounds raised by the assessee are allowed for statistical purposes.

8. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 29/05/2025.

Sd/-

(Duvvuru RL Reddy)
Vice-President (KZ)

Kolkata, the 29th day of May, 2025

*Copies to :(1) Mukul Electric & Electronic Training
Institute,
Mirganj, Gopalganj-841438, Bihar*

*(2) Income Tax Officer,
Ward-2(4), Siwan,
National Face less Appeal Centre (NFAC),
Income Tax Department, Delhi-110001*

(3) CIT(Appeals), NFAC, Delhi;

(4) CIT - ;

(5) The Departmental Representative;

(6) Guard File

TRUE COPY

By order

*Assistant Registrar,
Income Tax Appellate Tribunal,
Kolkata Benches, Kolkata*

Laha/Sr. P.S.