

IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, KOLKATA

**BEFORE SHRI RAJESH KUMAR, AM
AND
SHRIPRADIP KUMAR CHOUBEY, JM**

**ITA No.567/KOL/2025
(Assessment Year:2022-23)**

Clinisys (India) Private Limited

Adventz Infinity @5, 8th floor,
Unit 804-807, Plot -5, Block-BN,
Saltlake Sector-V,
Kolkata-700091 West Bengal

(Appellant)

Vs.

DCIT, Cir 1(1)

P-7, Chowringhee Square,
Kolkata-700069,
West Bengal

(Respondent)

PAN No. AAGCA7623

Assessee by : Shri Soumitra Choudhury, AR
Revenue by : Shri Manoj Kumar pati, DR

Date of hearing: 17.07.2025
Date of pronouncement: 26.08.2025

ORDER

Per Rajesh Kumar, AM:

This is an appeal preferred by the assessee against the order of the Commissioner of Income-tax (Appeals) ADDI/JCIT (A)-2, Gurugram(hereinafter referred to as the "Ld. CIT(A)") dated 23.01.2025 for the AY 2022-23.

02. The only issue raised in various grounds of appeal is against the confirmation of disallowance of ₹ 3,80,401/- by Id. CIT (A) as made by the Id. AO (CPC) in the order passed under section 143(1) in respect of leave and encashment paid.

03. The facts in brief are that during the year the assessee has created a provision for leave encashment of ₹32,98,103 and also paid leave encashment during the year in respect of prior years to the tune of ₹3,80,401/- meaning thereby disallowing only ₹29,17,702/-, suo motto while filing the return of income in Para 11 (F) which deals with the amount debited to the Profit and Loss account in the previous year but disallowance u/s 43B of the Act was made. In other words, the assessee itself disallowed ₹29,17,702. However, the Id. AO(CPC) while processing the return of income added the amount paid by the assessee during the year to the income of the assessee.

04. In the appellate proceedings, the Id. CIT (A) also confirmed the order of the Learner AO by holding that assessee himself has shown in the Tax Audit Report in Form 3CD at serial number 26B(b), an amount of ₹32,98,103/- was not paid on or before the stipulated date. However, whereas the amount disallowed under Section 143B of the Act was only ₹29,17,702. The Id. CIT (A) further noted that assessee has not submitted any documenting evidences in the form of challans or books of accounts or any other relevant documents regarding payments of Leave encashment before filing the return of income. Therefore, the Id. AO (CPC) has correctly made the addition.

05. After hearing the rival contentions and perusing the materials available on record, we find that the assessee has categorically stated in the computation of income attached to the ITR that out of the total provisions created during the year of ₹32,98,103/-, the assessee has adjusted ₹3,80,401/- on account of payment of leave encashment during the year in respect of prior years. Therefore, we find merit in the contention of the assessee that the Id. AO / CPC has no



jurisdiction to disallow the actual payment against leave encashment during the year in respect of prior years. Accordingly, we set aside the order of the Id. CIT (A) and direct the Id. AO to delete the addition.

06. In the result, the appeal of the assessee is allowed

Order pronounced in the open court on 26.08.2025.

Sd/-
(PRADIP KUMAR CHOUBEY)
(JUDICIAL MEMBER)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated:26.08.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Kolkata