

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, NAGPUR
BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA no.183/NAG/2025
(Assessment Year :2014-15)

Vijaykumar Rooplalji Jaiswal,
46, Middle Ring Road,
East Wardhaman Nagar,
Nagpur 440008,
Maharashtra.
PAN-ABRPJ7368Q

..... Appellant

v/s

A.C.I T. Circle-4,
Nagpur-440001,
Maharashtra.

..... Respondent

Assessee by: Shri.K.P. Dewani, A.R.
Revenue by :Shri Surjit Kumar Saha, Sr.DR

Date of Hearing - 15/10/2025

Date of Order - 17/10/2025

ORDER

The assessee has filed the appeal against the order passed by the CIT(A)/National Faceless Appeal Centre(NFAC), Delhi, u/sec 143(3) and u/sec 250 of the Income Tax Act, 1961 (for short "*the Act*") for the A.Y. 2014-15. The assessee has raised the grounds of appeal:-

"1. The addition made by learned A.O. and upheld by CIT(A) at Rs. 16,22,425/- on account of promotional expenses scheme is unjustified, unwarranted and bad in law.

2. The learned A.O. ought not to have disallowed Rs. 16,22,435/-being expenditure incurred in the course of business in the assessment framed.

3. The learned CIT(A) erred in upholding the addition made in the appellate order without considering the facts and evidence on record.

4. The assessee denies liability to pay interest under section 234A, 234B and 234C of I.T. Act 1961. Without prejudice, levy of interest under section 234A, 234C and 234C of I.T. Act 1961 is unjustified, unwarranted and excessive.

5. Any other ground that shall be prayed at the time of hearing.”

2. At the time of hearing, the Ld.AR of the assessee submitted that there is a delay in filing the appeal before the Hon'ble Tribunal and the assessee has filed an application along with Affidavit for condonation of delay explaining the sufficient cause that the CIT(A) has not sent the email to the assessee Email Id mentioned in the Form.No.35. Whereas the facts mentioned in the application/affidavit are reasonable. The Department has filed a letter dated 14/10/2025, mentioning about the e-mail I.Ds namely(i) santoshigroup123@gmail.com and (ii) vinay-jais@hotmail.com on which the CIT(A) has sent the notice. The Ld.AR submitted that these Email Id do not belong to the assessee. The learned D.R. has no specific objections on the issue of condonation of delay. Accordingly, the delay is condoned and the appeal is admitted.

3. The brief facts of the case are that, the assessee is a senior citizen and is engaged in the Liquor business. The assessee has filed the return of income for the A.Y. 2014-15 on 30/04/2014 disclosing a total income of Rs.30,75,027/-. Subsequently the case was selected for complete scrutiny through CASS and notice u/sec 143(2) and u/sec 142(1) of the Act are issued. In compliance, the Ld.A.R. of the assessee appeared from time to time and submitted the financial statements and details. The

Assessing Officer on the first disputed issue in respect of bottle cap commission account found that most of the vouchers are self made and has doubted the genuineness of the vouchers and has estimated the disallowance @20% of total claim which worked out to Rs.1,67,485/-. On the second disputed issue, the Assessing Officer found that the assessee has debited Rs.16,22,425/- in the Profit & Loss Account towards the Scheme for dealers and the assessee was issued show cause notice dated 25/10/2016, to substantiate the claim with the documentary evidence and the assessee has filed a detailed reply on 02/11/2016 dealt Para 4 of the order. Whereas the Assessing Officer was not satisfied with the explanations and observed that the supporting evidence i.e email of United Breweries Ltd filed by the assessee pertaining to the F.Y. 2014-15 i.e., dated 15/09/2014 and assessee has debited the Profit & Loss account on 31-03-2014. The A.O is of the opinion that the assessee though has incurred these expenses must have received the reimbursement from the company and has disallowed the claim of Rs.16,22,425/- and assessed the total income of Rs.48,64,940/- and passed the order under section 143(3) of the Act dated 17/12/2016. Aggrieved by the order, the assessee has filed the appeal before the CIT(A).

4. In appellate proceedings, the CIT(A) has considered the grounds of appeal, statement of facts, findings of the Assessing Officer and submissions of the assessee but has sustained the disallowance of Rs. 16,22,425/- and granted relief in other grounds of appeal and partly

allowed the appeal of the assessee. Aggrieved by the order of the CIT(A), the assessee has filed appeal before the Hon'ble Tribunal.

5. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in sustaining the disallowance of promotion expenses- Scheme for dealers which are incurred in the course of business and the assessee has substantiated the information with supporting evidences before the lower authorities and the Assessing Officer has disputed the period of Scheme. The Ld.AR substantiated the submissions with the details, factual paper book and judicial decisions and prayed for allowing the appeal. Per- contra, the Ld.D.R. supported the order of the CIT(A).

6. Heard the rival submissions and perused the material available on record. The sole disputed issue envisaged by the Ld.AR that the CIT(A) has erred in sustaining the addition of promotional expenses -Scheme for dealers overlooking the factual aspects and the expenses are incurred for the business purposes. The Ld.AR submitted that the assessee is a distributor of M/s. United Breweries Ltd. and as per the instructions of the parent supplier, the assessee has incurred these expenses on account of business promotion trip for dealers which are duly supported by the evidences in the Paper Book at page6-9 and similarly, the assessee has also explained the details of expenses incurred by Hotels and Travels at Page.No.10 to 13 of the Paper Book and also TDS was deducted and Form.No.16A was issued and the bank statement reflecting the the

payments made in the F.Y. 2014–15 placed at Page 14 to 19 of paper book. The Assessing Officer has not disputed the fact of claim of expenses but the year in which it is incurred. When a question was raised to the Ld.AR to explain the expenditure debited in the Profit & Loss Account on 31-03-2014. The Ld.AR submitted that as per the instructions received from the parent supplier M/s. United Breweries Ltd on 15-09-2014 based on the turnover of the dealers in F.Y.2013-14 and the Scheme was identified. The assessee has disclosed the expenses on accrual basis in the Profit & Loss Account and the same was paid in the F.Y.2014-15 and is not disputed. The Ld.AR has referred to the financial statements at page3–4 of the paper book i.e Balance Sheet where the disclosure is made under current liabilities. Therefore, considering the facts, circumstances and the submissions of the Ld. AR, the expenditure is incurred is duly supported by explanations and material evidences. Accordingly, the assessing officer is directed to delete the disallowance. And the grounds of appeal allowed in favour of the assessee.

7. In the result, the appeal filed by the assessee is allowed.

Order pronounced on 17/10/2025 as per rule 34(5) of the ITAT Rules 1963

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur