

आयकर अपीलीय अधिकरण, मुंबई न्यायपीठ' ए, मुंबई।

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCHES "A", MUMBAI**

श्री जोगिन्दर सिंह, न्यायिक सदस्य एवं

श्री राजेन्द्र, लेखा सदस्य, के समक्ष ।

**Before Shri Joginder Singh, Judicial Member and
Shri Rajendra, Accountant Member**

**ITA NOs. 5398 & 6776/Mum/2014
Assessment Years-2010-11 & 2011-12**

m/S Ananda Film & Telecommunication Pvt. Ltd. (Company), 1101, Building-3, Raheja Classique, Oshiwara, Off. Link Road, Andheri(W), Mumbai-400053	बनाम/ Vs.	ACIT-11(1), Room No.467, 4 th Floor, Aayakar Bhavan, M.K. Road, Mumbai-400020
PAN No. AADCA0599E		
(निर्धारिती /Assessee)		(राजस्व /Revenue)

निर्धारिती की ओर से / Assessee by	Shri Haridas Bhatt
राजस्व की ओर से / Revenue by	Shri Rajesh Kumar Yadav-DR

सुनवाई की तारीख / Date of Hearing :	20/04/2017
आदेश की तारीख /Date of Order:	25/04/2017

आदेश / O R D E R

Per Joginder Singh (Judicial Member)

Both these appeals are by the assessee against the impugned orders dated 30/07/2014 for Assessment Year 2011-12 and dated 20/10/2014 for Assessment Year 2010-11 of the Ld. First Appellate Authority, Mumbai. The ground raised in these appeals pertains to disallowance of claim of Rs.7,20,000/- being salary paid in both the Years and sponsorship charges of Rs.10,24,395/- in each year being paid to Director of the company.

2. During hearing, the ld. counsel for the assessee, Shri Hari Das Bhatt, contended that the salary and sponsorship expenses were paid to Shri Sidhant Sinha, who was pursuing education in business administration in USA. It was also submitted that the salary paid to Sidhant Sinha was offered for taxation in his hands after deduction of TDS. So far as, sponsorship of educational expenses is concerned, it was contended that he would be useful in future for the management of the company.

2.1. On the other hand, Shri Rajesh Kumar Yadav, Ld. DR, strongly defended the impugned order by contending that firstly no service was rendered by Shri Sidhant Sinha to the assessee company and he is merely a student studying in USA. So far as, sponsorship

expenses are concern, these are argued to be purely personal in nature.

2.2. We have considered the rival submissions and perused the material available on record. The facts, in brief, are that Shri Sidhant Sinha is son of the Managing Director. During the relevant assessment year, the assessee company paid salary of Rs.7,20,000/- to him being the director of the company. This salary was offered for taxation in the individual income tax return of Shri Sidhant Sinha. The Ld. Assessing Officer disallowed the same on the ground that no services were actually rendered by Shri Sidhant Sinha. Identical was held by the Ld. Commissioner of Income Tax (Appeal). This Bench asked a query whether service was rendered by Shri Sidhant Sinha to the assessee company, it was explained that he is a student, studying abroad. In such a situation, we are satisfied that in fact no service was rendered by Shri Sidhant Sinha to the assessee company and merely he has shown as Director on papers only. In the absence of any plausible reasoning, we find no infirmity in the conclusion drawn by the Ld. Commissioner of Income Tax (Appeal). We affirm the same in both the years.

3. So far as, educational expenses are concerned, considering the totality of facts, we are of the view that educational expenses are purely of personal nature and cannot be allowed. So far as, the contention of the Ld. counsel that he will be useful for the assessee company is

concerned, at this stage, no usefulness was shown by the assessee and when actual services will be rendered, after completion of education, at that time, it will be depend upon the circumstances. Future is always uncertain. Thus, we find no infirmity in the conclusion of the Ld. Commissioner of Income Tax (Appeal). This ground of the assessee in both years is dismissed.

Finally, the appeals of the assessee are dismissed.

This order was pronounced in the open in the presence of ld. representatives from both sides at the conclusion of the hearing on 20/04/2017.

**Sd/-
(Rajendra)**

लेखा सदस्य / ACCOUNTANT MEMBER

मुंबई Mumbai; दिनांक Dated : 25/04/2017

Shekhar, P.S./नि.स.

**Sd/-
(Joginder Singh)**

न्यायिक सदस्य / JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant (Respective assessee)
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त(अपील)/ The CIT, Mumbai.
4. आयकर आयुक्त / CIT(A)- , Mumbai,
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई / DR,
ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

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आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai