



ITAT: Upholds the order of CIT(A) to allow the claim of commission expenses of the Assessee

Grand Polycoats Company Pvt. Ltd [TS-282-ITAT-2023(Ahd)]

Ahmedabad, May 27, 2023

In the present case the Assessee company is a PVT. Ltd. Company engaged in the business of manufacturing of Industrial Coatings and Specialized Paints. The Assessee filed ITR and claimed an expenditure amount under the head “commission expenses”. The Ld. AO rejected the claim by stating that the Assessee has failed to give any proof that the expenses were subjected for business. The appeal was filed before CIT(A) in which it was held that the disallowance of expenses made by the revenue is liable to be dismissed. The revenue filed the present appeal before the Hon’ble Ahmedabad ITAT.

The Hon’ble ITAT of Ahmedabad in the above-captioned matter held:

It was held that the order of CIT(A) in allowing the claim of commission expenses of the Assessee for the purpose of business is correct.

It was also held that since the similar expenses filed by the Assessee in PYs were accepted by department without any doubt then similarly the expenses claimed in the present AY are liable to be allowed.

Reliance was put upon the ruling of the Hon’ble High Court of Gujarat in the matter of Valsad District Central Co-Op. Bank Ltd. vs. ACIT and it was held that Revenue failed to place on record any contrary view and thus, there is no infirmity in CIT(A) order deleting the disallowance.

Thus, the appeal of revenue was dismissed.

