

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

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

**ITA No.259/KOL/2026  
(Assessment Year: 2013-14)**

**Bengal Peerless Housing  
Development Company Ltd.**  
401, barakhola Avidipta II,  
Mukundapur S.O. Kolkata-  
700009, West Bengal

**(Appellant)**

**vs.**

**DCIT, Circle 7(1)**  
Aaykar Bhawan,  
P-7, Chowringhee Square,  
Kolkata-700069, West Bengal

**(Respondent)**

**PAN No. AABCB3038P**

**Assessee by** : Shri Soumitra Choudhary, AR  
**Revenue by** : Shri Bonnie Deb Barma, DR

**Date of hearing:** 21.04.2026  
**Date of pronouncement:** 20.05.2026

**ORDER**

**Per Rajesh Kumar, AM:**

This is an appeal preferred by the assessee against the order of the Commissioner of Income-tax (Appeals), Panaji(hereinafter referred to as the "Ld. CIT(A)") dated 27.11.2025 for the AY 2013-14.

2. The issue raised in ground no.1 is general in nature and needs no specific adjudication.
3. The issue raised in ground no.2 is against the confirmation of disallowances as made by the Id. AO of ₹21,45,198/- on account of advertisement and publicity expenses out of total claim of ₹42,20,000/-, purely on adhoc basis.

3.1. The facts in brief are that the Id. AO during the course of assessment proceedings, observed from the profit and loss account that the assessee has claimed an expenditure of ₹42,20,000/- on account of advertisement and publicity. Accordingly, the assessee was asked to furnish the evidences showing party wise detail and purpose of incurring such expenditure. The assessee submitted before the Id. AO that the expenses were incurred in the ordinary course of business. Thereafter, the Id. AO identified few expenses and disallowed the same aggregating to ₹21,45,198/-. We note that the detail of these expenses is given by the Id. AO in Para no.1.1-page no.2 of the assessment order. We note that the expenses were mainly incurred by the assessee for the purpose of business and the same are extracted as under:-

12.11.12	Brand Next	Advertisement through sponsorship for promotion of green movement in Kolkata	₹5,38,998
07.12.12	Aajkaal Publishers Pvt. Ltd.	Advertisement released on special issue on Sunil Gangopadhyay	10,000
24.01.13	Melbandhan	Advertisement at melapranagan Jadavpur Poush Mela	2,00,000
30.03.13	Sarada Printing & Publication	Advertisement in Sakalbela for one year completion of WB Govt.	10,000
30.03.13	Chowringhee Prakashan pvt. Ltd.	Advertisement in print media for football tournament	38,400
30.03.13	Disha Production & Media Pvt. Ltd.	Advertisement Ekdin for football tournament	52,800
30.03.13	Kalighat Milan Sangha	For promotion of football team (Rs. 10 lac on 18.10.2012 & Rs. 23 lac on 22.01.2013)	13,00,000
		Total	21,45,198

3.2. According to the Id. AO, the expenses were not incurred by the assessee in connection with the business of the assessee and consequently, the same was added to the income of the assessee by holding that these were not

incurred wholly and exclusively for the purpose of business and hence not allowable u/s 37(i) of the Act.

3.3. In the appellate proceedings, the Id. CIT (A) confirmed the order of the Id. AO finding on this issue.

3.4. After hearing the rival contentions and perusing the materials available on record, we find that the expenses were incurred by the assessee in connection with the sponsorship of football team and for the promotion of the same. Besides, the assessee also incurred some expenses on green movement. Considering the nature of these expenses, we are of the view that the finding of the Id. AO that these expenses were not incurred wholly and exclusively for the purpose of business is wrong and cannot be sustained. In our opinion, the assessee has incurred these expenses for promoting its business and therefore, allowable as business expenses. Accordingly, we set aside the order of the Id. CIT (A) and direct the Id. AO to delete the addition. The ground no.2 is allowed.

4. The issue raised in ground no.3 is against the order of Id. CIT (A) confirming the disallowances of ₹7,18,000/- on account of legal and profession fee out of ₹62,16,879/- claimed by the assessee in the profit and account .

4.1. Facts in brief are that the Id. AO observed from the profit and loss account that the assessee has claimed ₹1,31,51,531/- towards other expenses which included legal and profession fee charges of ₹62,16,879/-. Accordingly, the assessee was asked to furnish the details and evidences for the same, which were duly furnished by the assessee. The Id.

AO noted that the expenses incurred by the assessee as per table below, which were not in the nature of legal expenses and accordingly, disallowed the same.:-

Details of Rs. 7,18,000

Name of the payee	PAN	Monthly Retainership charges	Total Retainership charges paid during the F.Y. 2012-13	Nature of Services rendered
S. Gurunatahan	ANNPG1564B	13,000	1,56,000	Accounting job
S. B. Majumder	ADPPM0477P	10,500	1,26,000	Construction bill checking
Bikram Bose	AEZPB0163L	5,000	10,000	Media relation
B. K. Karmakar	ATVPK1622N	15,000	1,80,000	Construction bill checking
Sukhranjan Das	BGKPD5984P	13,200	66,000	Site supervisor
S. N. Chatterjee		15,000	1,80,000	Despatch job
Total			7,18,000	

4.2. The Id. CIT (A) confirmed the order of the Id. AO.

After hearing the rival contentions and perusing the materials available on record, we find that the assessee has incurred these expenses by way of monthly retainership expenses. We note that this type of retainerships are very common and usual in the business now a days where the people are retained by monthly retainer. There may be a difference of opinion about the heads of expenses/nomenclature however, the expenses were surely expended in connection with the business of the assessee. The Id. AO has not expressed any doubt about the genuinity of the expenses. Consequently, we set aside the order of Id. CIT (A) and delete the addition. The ground no 3 is allowed.

5. The issue raised in ground no.4 is in support of other grounds of appeal, wherein the assessee claimed that no disallowances

could be made without rejecting the books of accounts u/s 145(3) of the Act.

6. The issue raised in ground no.5 is in respect of expenses incurred on advertisement of ₹20 lacs paid to M/s Kalighat Milan Sangha on 30.03.2012, which was claimed as deduction in A.Y. 2012-13. However, the same was disallowed by the Id. AO. In the appellate proceedings, the Id. AO in the remand report pointed out that TDS on the said expenses was deducted and paid in terms of first proviso to Section 40(1)(ia) of the Act and therefore requested to direct the Id. AO to allow the claim in A.Y. 2013-14.

6.1. the facts in brief are that in A.Y. 2012-13, i.e. the preceding assessment year, the Id. AO disallowed expenses of ₹20 lacs incurred under the head advertisement and publicity by invoking the provisions of Section 40(i)(ia) of the Act. The Id. AO observed that the assessee has paid ₹20 lacs on 30.03.2012 to M/s Kalighat Milan Sangha. The Id. AO also noted that the above party was given sponsorship of football matches and the payment was made for the promotion of the business of the assessee. The Id. AO only disallowed the claim on the ground that no bill was received on or before 31.03.2012, and no TDS was deducted. The Id. AO also observed that TDS was deducted in the next F.Y. 2012-13 and therefore, these expenses are to be allowed in the subsequent year.

6.2. In the appellate proceedings, the Id. CIT (A) referred to the remand report passed by the Id. AO but confirmed the addition, however, the Id. CIT (A) recorded an observation



that the assessee may claim the deduction in computing his income in which TDS was deducted and paid. The Id. CIT (A) during the year did not consider the claim. In our opinion, the said expenses are to be allowed in terms of the direction of the Id. CIT (A) which is a correct and in consonance with the provision of the Act that the expenses are to be allowed when the TDS is deducted and deposited. Since, the TDS is deducted and deposited during the F.Y. 2012-13, relevant to A.Y. 2013-14. Therefore, the assessee is entitled to the deduction of ₹20 lacs in the financial year 2012-13 relevant to 2013-14. Consequently, we set aside the order of Id. CIT (A) and direct the Id.AO to allow the deduction in computing the income of the assessee. The appeal of the assessee is allowed. The ground no 5 is allowed.

7. The other grounds raised by the assessee are not adjudicated and left open to be decided if the need arises for the same.
8. In the result, the appeal of the assessee is partly allowed.

Order pronounced on 20.05.2026.

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

Sd/-  
(RAJESH KUMAR)  
(ACCOUNTANT MEMBER)

Kolkata, Dated: 20.05.2026  
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//

Asst. Registrar  
Income Tax Appellate Tribunal,  
Kolkata