

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

BEFORE SHRI R.S. SYAL, VICE PRESIDENT AND
SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.799/PUN/2017
निर्धारण वर्ष / Assessment Year : 2012-13

Haldex India Private Limited,
(Formerly Known as Haldex
India Limited),
D-8, MIDC, Ambad,
Nashik – 422 010
PAN : AABCH9044B

ACIT, Circle-1,
Nashik
Vs.

(Appellant)

(Respondent)

Appellant by	Shri R.D. Onkar
Respondent by	Shri Abhijit Halder
Date of hearing	30-09-2019
Date of pronouncement	01-10-2019

आदेश / ORDER

PER R.S.SYAL, VP :

This appeal filed by the assessee is directed against the order passed by the Commissioner of Income-tax (Appeals)-1, Nashik on 17-01-2017 in relation to the assessment year 2012-13.

2. The only issue raised in this appeal is against the confirmation of addition of warranty expenses amounting to Rs.15,26,750/-.

3. Briefly stated, the facts of the case are that the assessee claimed deduction for warranty expenses amounting to

Rs.30,79,750/-. The Assessing Officer observed that there was existing provision for warranty expenses at Rs.15,53,000/- which pre-existed even before the opening of the year. It was opined that the expenses incurred during the year ought to have been first reduced from the amount of provision. He, therefore, made addition to the extent of Rs.15,26,750/-, being, the difference between the amount of warranty expenses and amount of provision. The Id. CIT(A) echoed the assessment order on the point.

4. Having heard both the sides and gone through the relevant material on record, it is found as an admitted position that there was opening balance of provision of warranty at Rs.15,53,000/-. The Id. AR submitted that from this year onwards, the assessee dispensed with the practice of creating provision for warranty and started taking expenses direct to the Profit and Loss account. The assessee incurred expenses during the year against warranty amounting to Rs.30,79,750/- and claimed deduction for the entire amount without adjusting the opening balance of the provision for warranty. Once there was opening balance of provision for warranty, any expenses incurred in satisfaction of the warranty claims ought to have been first reduced from the existing

provision, for which deduction was claimed at the time of creating the same. As the assessee has kept the provision intact and claimed deduction for actual expenses by way of debit to the profit and loss account, we hold that the authorities below have correctly decided this issue by disallowing the amount *pro tanto*.

5. In the result, the appeal is dismissed.

Order pronounced in the Open Court on 01st October, 2019.

Sd/-
(PARTHA SARATHI CHAUDHURY)
JUDICIAL MEMBER

Sd/-
(R.S.SYAL)
VICE PRESIDENT

पुणे Pune; दिनांक Dated : 01st October, 2019

सतीश

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

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-1, Nashik
4. The Pr.CIT-1, Nashik
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे
“ए” / DR ‘A’, ITAT, Pune;
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	30-09-2019	Sr.PS
2.	Draft placed before author	30-09-2019	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

*