

Nitco Marble – Analysis

In context of foreign travel expense allowability under section 37 of the Act while computing business income, it is affirmed by DHC that:

“Insofar as the first question is concerned, we are of the opinion that the Tribunal rightly upheld the order of CIT(A) observing that it was not necessary for the assessee to show that the assessee had exported goods to the country where he visited, viz. U.S.A., Dubai and U.K. and incurred the travel expenses. It is not a case that the expenses incurred were bogus. Merely because the assessee did not have exports to these countries in that year travelled by the director, the Tribunal opined that it could not be said that expenditure on foreign tours is not in connection with the business of the assessee. There can be a foreign travel with expectation to generate business from those countries”

Further both for employees and employers EPF contribution stands covered under section 43 and could be paid by return filing due date, it is held that:

“B. Whether the ITAT was justified in law in upholding the order of CIT(A) deleting the disallowance of Rs.1,69,173/- made on account of employee/employers contribution of ESI and PF under Section 43B? Insofar as second question is concerned the same is covered by judgment of this Court in CIT vs. M/s Nitco Marble and Granite Pvt. Ltd., ITA No.497/2005 which was the case of the assessee itself. In this case while dismissing the appeal of the Revenue this Court referred to detailed judgment passed by it in CIT vs. Dharmendra Sharma in ITA No.644/2007 decided on 28.11.2007”