

On allowability and Genuineness of Commission Expense:

P.S.Bedi:

In its detailed order, the learned Income Tax Appellate Tribunal has discussed the evidence produced by the assessee on the basis of which it returned a finding of fact that the commission paid by the assessee to its agent was genuine. Not only the genuineness of the transaction is proved, but the identity of the recipient of the commission, viz., the agent has also been established. The Tribunal also took note of the fact that the assessment year in question is 2001-02 and also observed that in respect of some of the agents, the commission paid to them in the assessment proceedings of the preceding year as well as subsequent year has been accepted by the department itself.