

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'D', NEW DELHI**

**BEFORE SHRI H.S.SIDHU, JUDICIAL MEMBER
AND
SHRI J. SUDHAKAR REDDY, ACCOUNTANT MEMBER**

**ITA No. 6555/Del/2013
AY: 2009-10**

Samtel HAL Display Systems Ltd.
501, Copia Corporate Suites
District Centre – Jasola
New Delhi 110 025

vs. ITO, Ward 7(2)
New Delhi

PAN: AAKCS 5764 L

(Appellant)

(Respondent)

Appellant by : Shri D.C. Garg, C.A.

Respondent by : Ms. Rashmita Jha, Sr. D.R.

ORDER

PER J.SUDHAKAR REDDY, ACCOUNTANT MEMBER

This is an appeal filed by the Assessee directed against the order dated 7.10.2013 of Ld.CIT(A)-X, New Delhi pertaining to the Assessment Year (hereinafter referred to as the A.Y.) 2009-10 on the following grounds.

“1. That the Ld.CIT(A)-X, New Delhi, has erred in law as well as on facts and in circumstances of the case in upholding the addition of Rs.17,64,911/- made by the A.O. without assigning any reason.

2. The appellant craves leave to add, amend or vary from the aforesaid grounds of appeal at or before the time of hearing.”

2. We have heard Shri D.C.Garg, the Ld.Counsel for the assessee and Ms.Rashmita Jha, Ld.Sr.D.R. on behalf of the Revenue.

3. After hearing rival contentions we find that the assessee has filed a 'nil' return of income on 30.9.2009. During the year the assessee has not drawn up a Profit & Loss account as it has not commenced business till 31.3.2009. The expenditure incurred was accounted as preoperative expenditure and was capitalized. When no expenditure whatsoever was claimed, the question of making a disallowance by the Assessing Officer (hereinafter referred to as the AO) does not arise. The A.O. as well as the Ld.CIT(A), have in our view committed an error in disallowing an amount which was never claimed by the assessee as a revenue expenditure. Thus we allow this ground of the assessee and delete the disallowance made.

4. In the result the appeal of the assessee is allowed.

Order pronounced in the Open Court on 05th May, 2016.

Sd/-

(H.S. SIDHU)
JUDICIAL MEMBER

Sd/-

(J.SUDHAKAR REDDY)
ACCOUNTANT MEMBER

Dated: the 05th May, 2016

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Copy of the Order forwarded to:

1. Appellant;
2. Respondent;
3. CIT;
4. CIT(A);
5. DR;
6. Guard File

By Order

Asst. Registrar