

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'SMC' BENCH,
NEW DELHI

BEFORE SHRI B.P. JAIN, ACCOUNTANT MEMBER

ITA No. 2067/DEL/2017 [A.Y. 2012-13]

Bernina International Pvt. Ltd
First Floor, Parivartan House
State Bank of Patiala Building
Mehrauli Mahipalpur Road
Mahipalpur, New Delhi

Vs.

The I.T.O
Ward 4(3)
New Delhi

PAN : AAACB 4006 G

[Appellant]

[Respondent]

Date of Hearing : 10.10.2017
Date of Pronouncement : 16 .10.2017

Assessee by : Shri Ved Jain, Adv
Ms. Devina Sharma, Adv

Revenue by : Shri T. Vasanthan Sr. DR

ORDER

This appeal of the assessee arises from the order of the ld.
CIT(A)-35, New Delhi vide order dated 20.01.2017 for A.Y. 2012-13.

2. The assessee has challenged the adhoc disallowance of Rs.
6,06,394/- as 1/5th of the expenses of Rs. 30,31,972/-.

3. Brief facts of the case are that the assessee has incurred various expenses under nine heads as enumerated at pages 1 and 2 of the assessment order. As per the observations of the Assessing Officer, some vouchers are self generated vouchers, some bills and vouchers are not supported by supporting evidence and some bills and vouchers are not available. When controverted, the ld. counsel for the assessee appearing on behalf of the assessee submitted that the expenses are genuine but the Assessing Officer made disallowance of 1/5th of the expenses claimed and made additions which were confirmed by the ld. CIT(A).

4. I have heard the rival submissions and have perused the relevant material on record. At the very outset, it was pointed out by the ld. counsel for the assessee that the assessee submitted all ledger accounts of the assessee and the Assessing Officer has not pointed out how the expenses are excessive as compared to the expenses incurred in the preceding years and comparative figures were also submitted before the ld. CIT(A) in which no defect has been pointed out. Under the facts and circumstances of the case, such expenses are essential to be incurred for running business and therefore, no additions on this

count can be made. Accordingly, the additions so made are directed to be deleted. Grounds raised by the assessee are allowed.

4. In the result, the appeal of the assessee in ITA No. 2067/DEL/2017 is allowed.

The order is pronounced in the open court on 16.10.2017.

Sd/-
[B.P. JAIN]
ACCOUNTANT MEMBER

Dated: 16th October, 2017

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi