

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

**BEFORE SH.N.K.SAINI, ACCOUNTANT MEMBER
AND
SH.K.N.CHARY, JUDICIAL MEMBER**

**ITA No. 3560/Del/2014
(ASSESSMENT YEAR: 2010-11)**

DCIT, Sonapat Circle, SONEPAT.	vs	Toyo Spring Ltd., G.T.Road, Rai, Distt.Sonapat, Sonapat. PAN-AABCT0481G
(Appellant)		(Respondent)

Appellant by	None
Respondent by	Sh. Sampurnanand, Sr.DR
Date of Hearing	28.09.2017
Date of Pronouncement	27.10.2017

ORDER

PER K.N.CHARY, JUDICIAL MEMBER

Aggrieved by the order dated 18.03.2014 in Appeal No.94/2013-14 passing by the Commissioner of Income Tax (Appeal) [in short "CIT(A)"], Rohtak for 2010-11 Assessment Year, the Revenue filed this appeal.

2. Briefly stated facts are that the assessee filed return of income for the AY 2010-11 on 26.09.2010 declaring a total income of Rs.3,69,42,490/-. During scrutiny proceedings, the AO found that the assessee claimed the expenses to the tune of Rs.2,04,66,574/- towards advert, publicity, sales promotion and miscellaneous expenses and found that the assessee did not furnish a complete vouchers in support of such expenditure. The AO disallowed 20% thereof which comes to Rs.40,93,314/-. In appeal, Ld.CIT(A) observing that it is not open for the AO to make any adhoc disallowance without pointing out

any specific instance of expenses not being properly vouched, deleted the addition. Hence, the Revenue filed this appeal.

3. We have gone through the orders of the authorities below. The AO recorded a finding that the gross profit shown by the assessee for the AY 2010-11 @ 11.55% is more than the same @ 9.78% for the immediately preceding year. Having recorded so, the AO disallowed 20% of the expenses on the ground of the assessee failing to discharge his onus by not furnishing complete vouchers. Admittedly books of accounts are audited and no discrepancy could be found out by the AO. As rightly pointed out by the Ld. CIT(A), having accepted the books of accounts as well as the G.P.rate, without pointing out in specific instance of expenses not being properly vouched, is not open for the AO to make disallowance. We, therefore, uphold the findings of the Ld. CIT(A) and find that the appeal is devoid on merits. We, therefore, proceed to dismiss the appeal.

4. In the result, the appeal filed by the Revenue is dismissed.

The order is pronounced in the open court on 27th October, 2017.

**Sd/-
(N.K.SAINI)
ACCOUNTANT MEMBER**

**Sd/-
(K.N.CHARY)
JUDICIAL MEMBER**

Amit Kumar
Date:- 27.10.2017

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI