

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM**

**BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER &
SHRI D.S. SUNDER SINGH, HON'BLE ACCOUNTANT MEMBER**

**ITA No. 403/VIZ/2017
(Asst. Year : 2012-13)**

DCIT, Circle-2(1),
Vijayawada.

vs.

M/s. 3K Entertainment Pvt.
Ltd., D.No. 32-9-2A,
Moghalrajpuram,
Vijayawada.

(Appellant)

PAN No. AAACZ 3097 R
(Respondent)

Assessee by : None.

Department By : Shri K.C. Das – Sr.DR

Date of hearing : 06/08/2018.

Date of pronouncement : 17/08/2018.

ORDER

PER V. DURGA RAO, JUDICIAL MEMBER

This appeal by the Revenue is directed against the order of Commissioner of Income Tax (Appeals), Vijayawada, dated 01/02/2017 for Assessment Year 2012-13.

2. The Revenue has raised as many as 09 grounds, but we find 03 grounds are necessary for adjudication i.e. ground Nos. 3, 7 & 8.

3. Ground No.3 relating to invocation of section 40A(3) of the Income Tax Act, 1961 (hereinafter referred to as "Act"). The

provisions of section 40A(3) of the Act have neither coming out of the assessment order nor Id. CIT(A)'s order. Therefore, this ground of appeal raised by the Revenue cannot be survived, same is dismissed.

4. Ground No.7 relating to disallowance of expenditure. The Id. CIT(A) directed the Assessing Officer to disallow 15% of the expenditure on account of failure to produce bills & vouchers. We find that Id. CIT(A) has rightly directed the Assessing Officer to disallow only 15% of the expenditure claimed by the assessee. We find no infirmity in the order passed by the Id. CIT(A). Thus, this ground of appeal raised by the Revenue is dismissed.

5. Ground No.8 relating to violation of Rule 46(A)(3) of the I.T. Rules, 1962. We find no fault in the order of the Id. CIT(A) in exercising Rule 46(A)(3) of the I.T. Rules. Thus, this ground of appeal raised by the Revenue is dismissed.

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

Order Pronounced in open Court on this 17th day of August, 2018.

Sd/-
(D.S. SUNDER SINGH)
Accountant Member

sd/-
(V. DURGA RAO)
Judicial Member

Dated : 17th August, 2018.

vr/-

Copy to:

1. *The Assessee – M/s. 3K Entertainment Pvt. Ltd., D.No. 32-9-2A, Moghalrajpuram, Vijayawada.*
2. *The Revenue – DCIT, Circle-2(1), Vijayawada.*
3. *The Pr.CIT, Vijayawada.*
4. *The CIT(A), Vijayawada.*
5. *The D.R., Visakhapatnam.*
6. *Guard file.*

By order

(VUKKEM RAMBABU)
Sr. Private Secretary,
ITAT, Visakhapatnam.