

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

Before Ms. Suchitra Kamble, Judicial Member

Dr. B. R. R. Kumar, Accountant Member

(Through Video Conferencing)

ITA No. 6168/Del/2019 : Asstt. Year : 2016-17

M/s Scan Holdings Pvt. Ltd., F-4, Shopping Complex, A Block, Meera Bagh, West Delhi, New Delhi-110087	Vs	ACIT, Circle-22(2), New Delhi-110001
(APPELLANT)		(RESPONDENT)
PAN No. AABCS0852N		

Assessee by : Sh. S. Krishnan, Adv.

Revenue by : Sh. Prakash Dubey, Sr. DR

Date of Hearing: 16.02.2021

Date of Pronouncement: 18.02.2021

ORDER

Per Dr. B. R. R. Kumar, Accountant Member:

The present appeal has been filed by the assessee against the order of the Id. CIT(A)-8, New Delhi dated 18.06.2019.

2. Regarding the disallowance u/s 14A, the assessee at the outset argued that this is not a parameter to be examined in the case of limited scrutiny pertaining to the assessee as per the notice issued dated 18.07.2017. There was no proof on record that the limited scrutiny case has been converted into full scrutiny on obtaining the approval of the Id. PCIT as per the instant instructions issued by the CBDT.

3. Since, the disallowance u/s 14A determined by the Id. CIT (A) of Rs.68,137/- is without jurisdiction mandated, we hereby delete the addition made by the AO.

4. With regard to the disallowance on account of car running expenses and entertainment expenses (additional grounds). The Id. AR argued that there cannot be any expenses of personal element in case of the company. He argued that the disallowance of expenses of Rs.1,53,051/- on account of car running and Rs.24,657/- on account of entertainment expenses cannot be treated as personal expenses. Regarding the entertainment expenses being a factual issue of disallowance of Rs.24,657/- forgone by the assessee earlier, owing to any valid reasons, we decline to admit this ground at this juncture.

5. Having gone through the record, we find that revenue has not brought anything to prove the personal nature of the expenses with regard to car maintenance expenses except disallowing the same on adhoc basis. Hence, the action of the revenue cannot be supported. In the peculiar facts and circumstances of the case, the appeal of the assessee on this ground is allowed.

6. In the result, the appeal of the assessee is partly allowed.
Order Pronounced in the Open Court on 18/02/2021.

Sd/-

(Suchitra Kamble)
Judicial Member

Dated: 18/02/2021

Subodh

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member