

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

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

**ITA No. 3036/Del/2022 : Asstt. Year: 2016-17**

DSV Coload & Clearance Pvt. Ltd., LG-13, Somdutt Chambers-2, 9, Bhikaji Cama Place, New Delhi (APPELLANT)	Vs	DCIT, Circle-7(1), New Delhi (RESPONDENT)
<b>PAN No. AAACI1669L</b>		

**Assessee by : Sh. Harpreet Singh Ajmani, Adv.  
Revenue by : Sh. Om Parkash, Sr. DR**

<b>Date of Hearing: 18.05.2023</b>	<b>Date of Pronouncement: 20.06.2023</b>
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**ORDER**

The present appeal has been filed by assessee against the order of National Faceless Appeal Centre (NFAC), New Delhi dated 03.11.2022.

2. Following grounds have been raised by the assessee:

*"1. That on the facts and circumstances of the case and in law, the learned National Faceless Appeal Centre ["Ld. CIT(A)"] grossly failed to give appropriate direction to the learned Assessing Officer ("Ld. AO").*

*2. That the Ld. CIT(A) had grossly erred in passing an order hurriedly and without giving opportunity of being heard and to furnish evidence, which is in gross violation to the principles of natural justice.*

*3. That the Ld. CIT(A) / Ld. AO had grossly erred on facts and in law in making addition of miscellaneous expenses to the extent of write off of security deposits paid to BSES Rajdhani Power Ltd. for electricity connection and security deposit paid to Essar Cellular*

*Phone Ltd for telephone/mobile connection (total amounting to INR 1,14,045), without appreciating the fact that these are allowable as business loss and ledger account apart from audited financial statements were submitted.*

*4. That the Ld. CIT(A) / Ld. AO had grossly erred on facts and in law in making addition of office maintenance expenses amounting to INR 1,92,048 without appreciating the fact that the amount of maintenance charges for Gurgaon office was for the month of April 2015 (z. e., of current FY 2015-16) only and amount for the aforesaid maintenance charges on the invoice submitted was of Rs. 77,742 only, instead of INR 1,92,048.*

*5. That the Ld. CIT(A) / Ld. AO had grossly erred on facts and in law in making addition of audit fees and professional charges, amounting to INR 10,92,500 without appreciating the fact that the invoices having dates of December 2016 were submitted further just in order to substantiate the provision made for corresponding expenses during current FY 2015-16.*

*6. That the Ld. CIT(A) / Ld. AO failed to appreciate that section 145 of the Income-tax Act, 1961 itself allow to follow either cash or mercantile system of accounting regularly employed by the assessee. Further, the assessee, being a company is required to maintains its books of accounts on the basis of mercantile system of accounting in line with provisions of the Companies Act and prescribed Accounting Standards.*

*7. That the Ld. CIT(A) / Ld. AO had grossly erred on facts and in law in making addition towards sundry creditors to the extent of INR 12,49,274 without appreciating the fact that the assessee had submitted sufficient evidences including to justify the identity of the creditors.*

*8. That the Ld. AO grossly erred in initiating penalty proceedings u/s 271(1)(c) of the Income-tax Act, 1961 for concealment of income or furnishing inaccurate particulars of income."*

**Miscellaneous Expenses:**

3. The assessee has irrevocably written off the security deposit of Rs.1,14,045/- pertaining to BSES and S. R. Cellular Phone Ltd. which were installed for their old office. The ledger depicting the fact has been duly reproduced and hence the amount is treated as allowable.

**Maintenance Expenses:**

4. The AO disallowed Rs.1.92 lacs on account of office maintenance expenses due to lack of bills. The details have been duly filed. The bills have been part of the submissions made before the revenue authority which have not been considered during the assessment proceedings. It is also a fact on record these expenses have not been claimed in any other year. Hence, the disallowance made by the AO is directed to be deleted.

**Audit Fees:**

5. The AO disallowed Rs.10.92 lacs claimed by the assessee as consultancy and professional fees as the bills have been raised in the month of December 2016 and hence do not pertain to the F.Y. 2015-16. It was brought to the notice that the bills have been received during the year but the services were rendered for the current Assessment Year. The details have been duly filed. It is also a fact on record these expenses have not been claimed in any other year. Hence, the disallowance made by the AO is directed to be deleted.

**Sundry Creditors:**

6. The AO disallowed Rs.12.49 lacs on account of sundry creditors. The amounts have been subsequently paid in the month of March 2016 and May 2016 and the evidence has been placed on record and hence the addition made on account of sundry creditors is liable to be deleted.

7. In the result, the appeal of the assessee is allowed.

Order Pronounced in the Open Court on 20/06/2023.

Sd/-

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

**Dated: 20/06/2023**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

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

**ASSISTANT REGISTRAR**