

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "G": NEW DELHI
BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA No. 5959/Del/2019
(Assessment Year: 2016-17)

Swift Securities Pvt. Ltd, 57, Rajdhani Enclave, Pitampura, New Delhi (Appellant) PAN: AAGCS2294F	Vs. DCIT, Circle-22(3), New Delhi (Respondent)
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Assessee by :	None
Revenue by:	Shri Anuj Garg, Sr. DR
Date of Hearing	17/10/2023
Date of pronouncement	20/10/2023

O R D E R

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No.5959/Del/2019, arises out of the order of the Commissioner of Income Tax (Appeals)-8, New Delhi [hereinafter referred to as 'ld. CIT(A)', in short] in Appeal No.10218/18-19 dated 20.05.2019 against the order of assessment passed u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 19.12.2018 by the Assessing Officer, DCIT, Circle-22 (2), New Delhi (hereinafter referred to as 'ld. AO').
2. None appeared on behalf of the assessee. Infact the assessee has not bothered to ensure the presence of the authorized representative right from date of filing of appeal. The notice has been issued to the assessee on several occasions at the registered address of the assessee as mentioned in Form No. 36. Since, sufficient opportunities have already been given to the assessee, we proceed to dispose of this appeal on hearing the ld DR and based on material available on record.

3. The assessee has raised the following grounds of appeal:-

1(1) That in facts and circumstances of the case, the Ld. CIT(A) was not justified in making ad-hoc disallowance of Rs. 4,00,000/-on account of business promotion expenses even though same is duly supported from vouchers and incurred in the course of business of the appellant.

(ii) That the appellant is a private limited company and the expenses being incurred for the purpose of business, the allegation of personal use is not relevant.

2(i) That in facts and circumstances of the case, the Ld. CIT(A) was not justified in making ad-hoc disallowance of Rs. 2,00,000/-on account of Diwali Expenses even though same is duly supported from vouchers and incurred in the course of business of the appellant.

(ii) That the appellant is a private limited company and the expenses being incurred for the purpose of business, the allegation of personal use is not relevant.

3(1) That in facts and circumstances of the case, the Ld. CIT(A) was not justified in making ad-hoc disallowance of Rs. 2,00,000/-on account of Miscellaneous Expenses even though same is duly supported from vouchers and incurred in the course of business of the appellant.

(ii) That the appellant is a private limited company and the expenses being incurred for the purpose of business, the allegation of personal use is not relevant.”

4. We have heard the rival submissions and perused the materials available on record. The return for AY 2016-17 was filed by the assessee company electronically on 15.10.2016 declaring total income of Rs. 6,15,57,770/-. The Id AO sought for details of various expenditures debited in the profit and loss account during the course of scrutiny proceedings, which was duly furnished by the assessee. From the perusal of the details furnished with regard to business promotion expenses, the Id AO observed that during the year the assessee had debited Rs. 37,01,797/- as against Rs. 28,06,248/- in immediately preceding year. The Id AO observed that these expenses are not fully vouched and contained personal element thereon. Accordingly, the Id AO made a disallowance of Rs. 4 lacs on account of unverifiable expenses towards business promotion.

5. The Id AO observed that the assessee had debited a sum of Rs. 16,42,646/- on account of Diwali expenses as compared to Rs. 14,74,752/- in

immediately preceding year. The Id AO observed that these expenses are not fully vouched and contained personal element thereon. Accordingly, the Id AO made a disallowance of Rs. 2 lacs on account of unverifiable expenses towards Diwali expenses.

6. The Id AO observed that the assessee had debited a sum of Rs. 6,54,981/- under the head miscellaneous expenses during the year as against Rs. 4,05,467/- in immediately preceding year. The Id AO observed that these expenses are not fully vouched and contained personal element thereon. Accordingly, the Id AO made a disallowance of Rs. 2 lacs on account of unverifiable expenses towards Miscellaneous expenses.

7. Accordingly, the Id AO made disallowance of expenses totaling to Rs. 8 lac and completed the assessment, which was confirmed by the Id CIT(A). The Id CIT(A) had upheld the reasoning given by the Id AO for making the aforesaid disallowances.

8. Before us, no contrary evidence has been placed on record by the assessee to prove as to why the disallowance have been wrongly made. Accordingly, we deem it fit not to deviate from the stand taken by the Id CIT(A). Accordingly, we uphold the order of the Id CIT(A). Grounds raised by the assessee are dismissed.

9. In the result the appeal of the assessee is dismissed.

Order pronounced in the open court on 20/10/2023.

-Sd/-
(KUL BHARAT)
JUDICIAL MEMBER

-Sd/-
(M BALAGANESH)
ACCOUNTANT MEMBER

Dated: 20/10/2023
A K Keot

Copy forwarded to

1. Applicant

2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi