

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI

श्री यस यस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री जगदीश, लेखक सदस्य के समक्ष
BEFORE SHRI SS VISWANETHRA RAVI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1233/Chny/2024
निर्धारण वर्ष /Assessment Year: 2018-19

Salzer Electronics Ltd.,
C/o. Advocate S. Sridhar, 116-C,
Rasampalayam Road, S-Bend,
Villarasampatty Post,
Erode – 638 107.
[PAN: AA ECS 3411L]
(अपीलार्थी/**Appellant**)

Vs. The Income Tax Officer,
Corporate Circle-1,
Coimbatore.

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Shri S. Sridhar, Advocate (Erode)
: Ms. R. Anita, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 08.08.2024

घोषणा की तारीख /Date of Pronouncement

: 21.08.2024

आदेश / ORDER

PER JAGADISH, A.M:

Aforesaid appeal filed by the assessee for Assessment Year (AY) 2018-19 arises out of the order of Learned Commissioner of Income Tax (Appeals), [NFAC], Delhi [hereinafter "CIT(A)"] dated 27.02.2024.

2. The only effective ground of appeal is against adhoc disallowance of 10% under the head "other expenses" on the ground

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that the assessee has not submitted the bills and vouchers for verification.

3. The brief facts of the case are that the assessee is a public Ltd., company engaged in the business of manufacturing electrical switches, cam operated rotary switches, modular switches, wires and cables etc. The assessee has filed return of income showing total income of Rs. 18,51,74,670/-. The A.O has disallowed 10% of other expenses of Rs. 7,93,96,612/- on the ground that the assessee has not furnished bills/vouchers for verification in respect of above expenses. The Ld. CIT(A) has confirmed the addition.

4. The Ld. AR before us has submitted that the assessee is a listed company with the turnover of Rs. 450 Cr. and all expenditure are well documented and audited and therefore, adhoc disallowance is uncalled for. The Ld. AR has also submitted that no such disallowance has been made in past years.

5. The Ld. DR has justified the disallowance made by the A.O as the assessee has not submitted the bills/vouchers.

6. We have heard the rival submissions and perused the materials on record. Considering the nature and size of the assessee's business,

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we find merit in the Ld. A.R's submission that an ad hoc disallowance, especially in a case involving a public limited company with audited accounts, is not justified without concrete evidence. However, it is also essential that the expenses claimed are substantiated with appropriate documentation. Therefore, we set aside the assessment order and remand the matter back to the AO with a direction to the assessee to submit the relevant bills and vouchers for verification of the claimed expenses. The AO is directed to verify the expenses based on the documents submitted and pass a fresh order as per law.

7. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 21st August, 2024.

Sd/-
(यस यस विश्वनेत्र रवि)
(SS Viswanethra Ravi)
न्यायिक सदस्य / Judicial Member

Sd/-
(जगदीश)
(Jagadish)
लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 21st August, 2024.

EDN/-

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF