

THE INCOME TAX APPELLATE TRIBUNAL
INDORE BENCH, INDORE

**Before: Shri Sanjay Garg, Judicial Member
And Shri Bhagirath Mal Biyani , Accountant Member**

**ITA No. 541 /Ind/2023
Assessment Year 2012-13**

Vision Infinity Ltd. 184, Zone-1 M.P. Nagar, Bhopal-462011, M.P. PAN: AABCV8498B (Appellant)	Vs	The ACIT-3(1), Bhopal (Respondent)
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**Assessee by: Mis. Nisha Lahoti, A.R.
Revenue by: Shri Ashish Porwal, Sr. D.R.**

Date of hearing : 27-02-2025
Date of pronouncement : 27-03-2025

आदेश/ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been filed by the Assessee against the order passed by the Learned Commissioner of Income Tax (Appeal)/National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as "CIT(A)"] dated 27.10.2023 arising from the order passed u/s. 143(3) of the Income Tax Act, 1961 (here-in-after referred to as "the Act") relevant to the Assessment Year 2012-13.

2. The assessee in this appeal taken following grounds of appeal:-

<i>Grounds of Appeal</i>	<i>Tax effect relating to each Ground of appeal</i>
1 <i>On the facts and circumstances of the case and applicable law, Ld. CIT(A) erred in sustaining the assessment order passed by Ld. AO under section 143(3) which is contrary to the material on records and provisions of the Act, unjustand bad in law.</i>	NA
2 <i>On the facts and circumstances of the case and applicable law, Ld. CIT(A) erred in sustaining the adhoc disallowance of 25% on account of distribution expenses amounting to Rs. 17,00,701.</i>	5,10,210
3 <i>On the facts and circumstances of the case and applicable law Ld. CIT(A) erred in sustaining the adhoc disallowance of 20% on account of printing expenses and repairs & maintenance amounting to Rs. 10,34,585.</i>	3,10,376
4 <i>On the facts and circumstances of the case and applicable law Ld. CIT(A) erred in sustaining the adhoc disallowance of 20% on account of business promotion expenses amounting to Rs. 1,60,000.</i>	48,000
5 <i>On the facts and circumstances of the case and applicable law, Ld. CIT(A) erred in sustaining the disallowance of loss on sale of shares amounting to Rs. 10,47,046.</i>	3,14,114
6 <i>On the facts and circumstances of the case and applicable law, the Ld. CIT(A) erred in not</i>	NA

	<i>considering the written submissions and documentary evidences placed on record in proper perspective</i>	
7	<i>The appellant craves leave to add, amend, alter or vise raise other any other ground of appeal.</i>	NA
<i>Total tax effect</i>		<i>11,82,700/-</i>

3. **Ground No. 1:** Ground No. 1 is general in nature.

4. **Ground No. 2.** Vide ground no. 2, the assessee has agitated the disallowance of Rs. 17,00,701/- made by the Assessing Officer out of distribution and publicity expenditure on estimation basis @ 25% of the total expenditure claimed, observing that some of the vouchers were self prepared.

5. We have heard rival contentions of the Id. representative parties on this issue. The Id. counsel for the assessee has explained that the assessee is engaged in premier commercial coaching (IIT-JEE etc.) in Bhopal and is trying to establish his institute as reputed institution like that are in Kota (Rajasthan). That for the said purpose, the assessee had to incur advertisement and publicity expenditure to make the institute popular. The Id. counsel has further submitted that all the bills and vouchers were produced before the Assessing Officer, however, the Assessing Officer without pointing out any specific defect or infirmity in the same observed that some of the expenditure was shown by way of self prepared vouchers. He, therefore, disallowed 25% of the advertisement expenses. The Id. counsel has submitted that the disallowances made by the Assessing Officer

was not justified. The Id. D.R. on the other hand has relied upon the findings of the Assessing Officer.

6. We have considered the rival contentions. It is observed from the assessment order that the assessee had produced all the details relating to advertisement and publicity expenditure, however, the Assessing Officer found that some of the bills and vouchers were not from the concerned parties but self prepared by the assessee. He observed that assessee has claimed huge expenditure on advertisement and publicity and that the element of inflation of the same was not ruled out. In our view, the disallowance @ 25% without any specific defect or infirmity pointed out by the Assessing Officer in the books of accounts of the assessee supported by bills and vouchers is on the higher side. Considering the overall fact and circumstances, the disallowance under this head is restricted to 5% of the total expenditure claimed by the assessee under this head.

Ground No. 3

7. Vide ground no. 3, the assessee is aggrieved by the action of the Assessing Officer on account of disallowance of Rs. 10,34,585/- out of expenditure claimed by the assessee on printing and repair and maintenance of the building. The Assessing Officer has given the same reasoning that some of the bills/vouchers were self prepared by the assessee. However, we note that the printing expenses and expenditure on maintenance of building are such type of expenditure, wherein, certain expenditure is incurred without getting invoices etc., such as expenditure incurred on labour etc.,

therefore, the disallowance made by the Assessing Officer out of the printing expenses and building and maintenance expenditure on adhoc basis is not justified and the same is accordingly ordered to be deleted.

Ground No. 4

8. Vide the ground no. 4, the assessee has contested the addition of Rs. 1,60,000 on account of disallowance of expenditure incurred on business promotion. The ld. counsel in this respect has invited our attention to the page 65 of the paper book which is a copy of bill issued by the hotel Jargan for the business promotion event carried out by the assessee in the said hotel. Since the assessee has produced the bill from the hotel and the Assessing Officer has not pointed out any defect in the same, therefore, the disallowance under this head on adhoc basis is not justified. The same is ordered to be deleted.

Ground No. 5

9. Ground No. 5 is not pressed. The same is accordingly dismissed as not pressed.

Ground No. 6 & 7

10. Ground Nos. 6 & 7 are general in nature and do not require any adjudication.

11. In view of the observation made above, the appeal of the assessee is treated as partly allowed.

Order pronounced by putting up on notice board as per Rule 34 of ITAT, Rules 1963 in the open court on 27-03-2025

Sd/-

(BHAGIRATH MAL BIYANI)
ACCOUNTANT MEMBER
Ahmedabad : Dated 27/03/2025

Sd/-

(SANJAY GARG)
JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order,

Assistant Registrar
Income Tax Appellate
Tribunal,
Indore