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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
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+ **ITA 1018/2015**

PR. COMMISSIONER OF INCOME TAX ..... Appellant
Through: Mr. Kamal Sawhney, Senior Standing counsel with Mr. Shikhar Garg, Advocate.

versus

GILLETTE DIVERSIFIED OPERATIONS PVT. LTD.... Respondent

CORAM:
JUSTICE S. MURALIDHAR
JUSTICE VIBHU BAKHRU

O R D E R
% **13.01.2016**

1. This appeal under Section 260A of the Income Tax Act, 1961 ('Act') is against an order dated 26th March 2015 passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No. 2263/Del/2011 for the Assessment Year ('AY') 2003-04.

2. The question sought to be urged by the Revenue for consideration is whether the ITAT was justified in deleting the addition of Rs.2,07,89,275 made by the Assessing Officer ('AO') on account of inventory written off.

3. The Assessee is engaged in the business of manufacture and sale of tooth

brushes and deals in small electrical appliances. It is engaged in trading and export of blades, razors, kitchen machines and accessories. During the course of the assessment proceedings for the AY 2003-04, the AO noted that the Assessee had sold the assets of the manufacturing business and discontinued one of its domestic businesses. The AO observed that the Assessee could not submit substantial evidence and details of the damaged and unserviceable goods and, therefore, the inventory written off to the above extent was not allowed.

4. However, when the matter travelled in appeal to the Commissioner of Income Tax (Appeals) ['CIT (A)'], the Assessee produced before the CIT (A) copy of the letter dated 17th February 2006 written by the Assessee to the AO offering a detailed explanation of the inventory written off. In the order dated 21st February 2011, while allowing the appeal of the Assessee, the CIT (A) returned a factual finding that the "Appellant has given complete details of inventory which have been written off as well as evidences in the form of person before whom the said item were disposed off." The CIT (A) also referred to an order passed by it in the appeal filed by the Assessee for the subsequent AY, i.e., 2004-05 which also decided a similar issue in its favour.

5. Learned counsel for the Revenue urged that as far as AY 2004-05 is concerned, the ITAT had by its order dated 31st July 2014 remanded the matter to the AO for 'verification of details' and, therefore, the present case should also be decided likewise.

6. The Court finds that as far as the present case is concerned, the CIT (A) having noted categorically that the complete details of inventory were furnished by the Assessee together with evidence of persons before whom the items were disposed of, and with the inventory clearly not being available for any verification, no purpose will be served by remanding the matter to the AO for that exercise. No substantial question of law arises for determination from the impugned order of the ITAT which has concurred with the order of the CIT (A).

7. The appeal is accordingly dismissed.

S. MURALIDHAR, J

VIBHU BAKHRU, J

JANUARY 13, 2016/dn