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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 19/2018

PRINCIPAL COMMISSIONER OF INCOME TAX (CENTRAL)- 1
..... Appellant

Through: Mr. Sanjay Kumar and Mr. Rahul Chaudhary, Standing Counsels.

versus

M/S FIIT JEE LTD. ..... Respondent

Through: None.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE A. K. CHAWLA

<u>O R D E R</u>

% 09.01.2018

The Revenue is aggrieved by an order of the Income Tax Appellate Tribunal (' ITAT'). The ITAT had on the merits upheld the sum of Rs.1,14,12,184/- brought to tax under Section 68 of the Income Tax Act, 1961 ('the Act') on the ground that the assessee had claimed bogus expenses for A.Y. 2002-03. The Revenue urges that the ITAT findings are contrary to the weight of evidence, and therefore, unreasonable.

The facts of the case are that for A.Y. 2002-03, the scrutiny assessment was completed on 17.12.2005 bringing to tax a total amount of Rs.1,95,97,564/-. Re-assessment proceedings were initiated on 04.03.2009 and completed by the Assessing Officer (AO), who added back the sum of Rs.1,14,12,184/- on the basis that expenses claimed for various activities such as web advertising, web designing, commission of franchise advertisement charges and software development, as claimed, could not be sustained, as the entries with respect to the service providers were bogus. The AO premised his findings largely upon statement of one Mr. S.K. Gupta on 13.12.2006, who stated that he had provided entry accommodation to various entities.

Upon appeal, the CIT(A) deleted the additional sum i.e. Rs.1.14 Crores after verifying the expenses and observing that the payments were made through banking channels and that the service providers, in respect to whom expenses were claimed, were income tax assessees. The ITAT confirmed these findings.

Upon an overall conspectus of the circumstances, it is evident that the CIT(A) carried out a detailed analysis of the material on record, including, especially with respect to the genuineness of the transaction, whereby, the service providers were paid money towards expenses claimed in the assessee's returns. These findings are also collaterally supported by the fact that the service providers were income tax assessees. The ITAT confirmed these findings of fact. In the opinion of the Court, no question of law arises.

The appeal is therefore dismissed.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

JANUARY 09, 2018/nn