

IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD “SMC” BENCH AHMEDABAD

BEFORE SHRI PRAMOD KUMAR, ACCOUNTANT MEMBER,
AND SHRI S. S. GODARA, JUDICIAL MEMBER.

ITA No. 3585/Ahd/2015
(Assessment Year: 2011-12)

Harish Bhimandas Rohera
Rohera Arcade, Opp. SOTC office,
Nr. Navrangpura Police Station,
Navrangpura, Ahmedabad

Appellant

Vs.

ITO, Ward 2(1), Ahmedabad
Pratyaksh Kar Bhawan, Ambawadi,
Ahmedabad

Respondent

PAN: ABAPR5546F

आवेदक की ओर से/By Assessee : Shri Rameshbhai S. Patel, A.R.
राजस्व की ओर से/By Revenue : Shri Roopchand, Sr. D.R.
सुनवाई की तारीख/Date of Hearing : 12.09.2017
घोषणा की तारीख/Date of
Pronouncement : 26.09.2017

ORDER

PER S. S. GODARA, JUDICIAL MEMBER

This assessee's appeal for assessment year 2011-12 arises against the CIT(A)-10, Ahmedabad's order dated 21st October, 2015, in case no. CIT(A)-10/ITO.WD/1(2)(2)/303/15-16, confirming disallowance/addition of vehicles expenses of Rs.6950/-, travelling expenditure of Rs.25,000/-, GP ratio addition of Rs.2,64,730/- and unexplained cash found during survey of Rs.15,663/-; respectively; in proceedings u/s. 143(3) of the Income Tax Act, 1961; in short “the Act”.

Heard both sides. Case file perused.

2. The assessee's first grievance in the instant appeal seeks to reverse both the lower authorities' action disallowing vehicle expenses of Rs.6,950/- on assumption than on actual basis. The assessee had claimed total vehicle expenses of Rs.20,312/- alongwith petrol expenses of Rs.1,28,625/- aggregating to Rs.1,48,937/-. The Assessing Officer observed in assessment order that there was no logbook indicating running of the vehicle in question for business purposes only. He therefore disallowed 1/5th of the amount including assessee's suo motto disallowance of Rs.22,836/-. The CIT(A) confirms the same.

3. We have heard rival submissions. It has come on record that the assessee had on his own offered disallowance of Rs.22,836/- in the instant head on account of personal use of the relevant vehicle(s). There is no indication in the lower orders as to how the same was unreasonable. We therefore direct the Assessing Officer to delete this first disallowance/addition of Rs.6,950/-.

4. Next issue is that of disallowance of travelling expenditure of Rs.25000/- out of Rs.1,17,811/-. Both the lower authorities rejected assessee's claim on account of his alleged failure in filing relevant evidence such as ticket and hotel bills etc. The same admittedly turns out to be almost 20% of the above gross figure. We discuss in these facts that it is on a little higher side as majority of the impugned expenditure stands accepted in principle. We therefore confirm the impugned disallowance to the tune of Rs.10,000/- only. The assessee gets part relief in his instant ground.

5. The third grievance assails correctness of addition on account of GP estimation @ 2% instead of 1.66% coming to Rs.2,64,730/-. There is no indication in the case file as to how the impugned gross profit involving a marginal variation is unjust or unfair. We make it clear that there is no pleading in assessee's ground challenging rejection of books. We therefore uphold the CIT(A)'s action making the impugned addition.

6. This leaves us with the last issue of unexplained cash addition of Rs.15,663/- made by both the lower authorities on account of assessee's failure in filing necessary reconciliation of cash found of Rs.2.8lacs during survey and its explanation offered. We observe in above peculiar facts that the impugned sum of Rs.15,663/- can be assumed to have come from assessee's past savings. The Assessing Officer is directed to delete the same.

7. This assessee's appeal is partly allowed.

[Pronounced in the open Court on this the 26th day of September, 2017.]

Sd/-
(PRAMOD KUMAR)
ACCOUNTANT MEMBER
Ahmedabad: Dated 26/09/2017

Sd/-
(S. S. GODARA)
JUDICIAL MEMBER

True Copy

S.K.SINHA

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

1. राजस्व / Revenue
2. आवेदक / Assessee
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त- अपील / CIT (A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद /
DR, ITAT, Ahmedabad
6. गार्ड फाइल / Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण, अहमदाबाद ।