

आयकर अपीलिय अधिकरण, जयपुर न्यायपीठ, जयपुर  
**IN THE INCOME TAX APPELLATE TRIBUNAL,  
 JAIPUR BENCHES (SMC), JAIPUR**

श्री भागचन्द, लेखा सदस्य के समक्ष  
**BEFORE: SHRI BHAGCHAND, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No. 761/JP/2017  
 निर्धारण वर्ष / Assessment Year : 2013-14

M/s. S.R. Proteins Pvt. Ltd D-97, Shanti Sadan Ambabari, Jaipur	बनाम Vs.	The ACIT Circle - 4 Jaipur
स्थायी लेखा सं./जीआईआर सं./PAN/GIR No.: AAICS 0896 F		
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

निर्धारिती की ओर से / Assessee by: Shri Shrawan Kumar Gupta, Advocate  
 राजस्व की ओर से / Revenue by : Smt. Poonam Rai, DCIT- DR

सुनवाई की तारीख / Date of Hearing : 10/11/2017  
 घोषणा की तारीख / Date of Pronouncement : 13 /11/2017

आदेश / ORDER

PER BHAGCHAND, AM

The assessee has filed an appeal against the order of the ld. CIT(A)-2, Jaipur dated 20-08-2017 for the assessment year 2013-13 raising therein following grounds:-

“1. That the impugned assessment order u/s 143(3) dated 31-12-2015 is bad in law and on facts of the case for want of jurisdiction and for various other reasons and hence the same may kindly be quashed.

2. The ld. CIT(A) has grossly erred in law as well as on the facts of the case in partly sustaining the disallowance of expense of 2,00,000/- out of Rs. 4,00,000/- disallowed by the AO on account of

various expenses without invoking the provisions of sec 145(3) which was based merely on assumption, presumption and suspicion. The disallowance so made by the AO and partly confirmed by the Id. CIT(A) is being absolutely, contrary to the provisions of law and facts of the case and not in conformity with the law, hence the same may kindly be deleted in full.

3. The AO erred in law as well as on the facts of the case in charging of interest u/s d234B, 234C & 234D as consequential in nature. The appellant totally denies its liability of charging of any such interest. Hence, the interest so charged being contrary to the provisions of law and facts, may kindly be deleted in full.”

2. Apropos Ground No. 1 and 2 of the assessee, the facts as emerges from the order of the Id. CIT(A) is as under:-

“2.3 I have perused the facts of the case, assessment order and the submissions of the appellant. The facts of the case are that the assessee company is engaged in the business of manufacturing of mustard oil and cake. On verification of the books of account the AO noted that the payments against the boiler running expenses, mustard cake expenses, mustard oil expenses and mustard seed crushing expenses were completely made in cash, of amounts less than Rs. 19,000/- in each transaction. They were supported only by self made vouchers and the bills and vouchers for loading and unloading charges were also not produced. The AO made a lump sum disallowance of Rs. 4 lakhs. In the present proceedings, the authorized representative stated that while the sale during the year have increased by almost Rs. 14 lakhs, the expenditure has increased marginally by Rs. 3 lakhs. It was thus submitted that the addition made not justified. It is seen that even during the appeal proceedings the authorized representative has not countered the defects pointed out by the AO in the expenditure made. In view of the same, the disallowance is restricted to Rs. 2 lacs considering that there has been an increase in the turnover. The ground of appeal is partly allowed.

2.2 During the course of hearing, the ld.AR of the assessee prayed for deletion of addition confirmed by the ld. CIT(A).

2.3 On the other hand, the ld. DR relied on the order of the ld. CIT(A).

2.4 The Bench has the rival contentions and perused the materials available on record. It is noted that the AO made the lumpsum disallowance of Rs. 4.00 lacs as the expenses were not verifiable for want of proper bills and vouchers. In first appeal , the ld. CIT(A) has reduced the same to the extent of Rs. 2.00 lacs. During the course of hearing, the ld.AR of the assessee filed the following statement showing comparative expense.

Nature of expenses	A.Y. 2013-14	A.Y. 2012-14
Boiler Running expenses (excluding Coal & Fuel Expenses)	11,62,680	10,49,497
Mustard Cake expenses	11,67,459	10,62,573
Mustard Oil expenses	11,70,530	10,57,045
Mustard Seed expenses	11,62,680	11,75,240
Total	46,63,349	43,44,355
Marginal increase	3,18,994	
Amount of total sales	84,97,18,792	70,12,90,610
Thus increase in the amount of sales by Rs.	14,84,28,1822	

Taking into consideration the facts, circumstances of the case and the orders of the lower authorities, it will be in the interest of equity and justice to sustain the addition to the extent of Rs. 1.00 lacs as against Rs. 2.00 lacs confirmed by the ld. CIT(A). Thus Ground No. 1 and 2 of the assessee is partly allowed.

3.1 The Ground No. 2 of the assessee is regarding charging of interest u/s 234B, 234C and 234D of the Act which are mandatory and consequential in nature.

4.0 In the result, the appeal of the assessee is partly allowed.

Order pronounced in the open court on 13 /11/2017

Sd/-  
(भागचन्द)  
(Bhagchand)  
लेखा सदस्य / Accountant Member

जयपुर / Jaipur

दिनांक / Dated:- 13 /11/ 2017

\*Mishra

आदेश की प्रतिलिपि अग्रेषित / Copy of the order forwarded to:

1. अपीलार्थी / The Appellant- M/s. S.R. Proteins Pvt Ltd. Jaipur
2. प्रत्यर्थी / The Respondent- The ACIT, Circle – 3, Jaipur
3. आयकर आयुक्त(अपील) / CIT(A).
4. आयकर आयुक्त / CIT,
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, जयपुर / DR, ITAT, Jaipur
6. गार्ड फाईल / Guard File (ITA No. 761/JP/2017 )

आदेशानुसार / By order,

सहायक पंजीकार / Assistant. Registrar