

आयकर अपीलिय अधिकरण, इंदौर न्यायपीठ, इंदौर
**IN THE INCOME TAX APPELLATE TRIBUNAL,
INDORE BENCH, INDORE
BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER
AND SHRI MANISH BORAD, ACCOUNTANT MEMBER**

**ITA No.494/Ind/2016
Assessment Year: 2011-12**

Pakija Retail Private Limited, Indore	Vs.	Joint Commissioner of Income Tax, Range-1, Indore
(Appellant)		(Respondent)
PAN No.AANCJ 0414B		

Appellant by	Shri Written Submissions
Respondent by	Shri V.K. Boricha
Date of Hearing	8.2.2018
Date of Pronouncement	15.02.2018

ORDER

PER MANISH BORAD, AM.

This appeal filed by the assessee pertaining to Assessment Year 2011-12 is directed against the order of Id. Commissioner of - Income-tax (Appeals)-2, Indorel dated 29.2.2016 which is arising out of the order u/s 143(3) of the Income Tax Act dated 25.03.2014 framed by the JCIT-2, Range-I, Indore.

2. When the case was called for hearing, the representative on behalf of the assessee requested for adjournment. However, from a perusal of file and looking to the smallness of the

issue, the case was heard on the basis of assessee's written submissions with the assistance of the learned Senior DR.

3. The sole grievance of the assessee in this appeal is against the order of the learned CIT(A) confirming the addition of Rs.5,00,000/- on account of various expenses incurred towards repair and maintenance of furniture, electrical and machines, etc.

4. Briefly stated, the facts, as culled out from record, are that the assessee is a private company engaged in the business of sale of readymade and grocery items. The return of income was filed declaring income at Rs.97,43,726/-. The case was picked up for scrutiny assessment. Necessary notices under sections 143(2) and 142(1) of the Act were duly served upon the assessee along with questionnaire. The AO, after examining the books of accounts and other details, made an ad hoc disallowance of Rs. 8 lacs and assessed the income at Rs.1,05,43,726/-.

5. Aggrieved, the assessee preferred appeal before the learned CIT(A) and partly succeeded as the CIT(A) sustained the disallowance/addition at Rs. 5 lacs thereby giving relief of Rs.3 lacs to the assessee.

6. Now, the assessee is in appeal before the Tribunal raising the sole ground of the alleged addition of Rs. 5 lacs confirmed by the CIT(A) which was made by the AO on ad hoc basis.

7. The learned DR supported the findings of the learned CIT(A).

8. We have heard the submissions of the learned DR and perused the record placed before us and also gone through the written submissions filed by the assessee as well as the paper book consisting of detailed ledger accounts of each head of expenditure for which the learned AO made ad hoc disallowance.

9. We observe that the turnover of the assessee increased to Rs.68.97 crores from Rs.59.82 crores in the immediately preceding year. The books of accounts are audited. All the details have been filed. The AO has not rejected the books of account. Further, no specific error has been pointed out for any of the alleged expenditure nor there is specific finding that the details were missing or the expenditure were not properly vouched. The AO's only allegation is that the expenditure has increased drastically and in per centrage terms they are much more than the increase in sale. He accordingly made an ad hoc disallowance of Rs. 80,000/- which was sustained by the ld. CIT(A) at Rs.5,00,000/-.

10. We further find that the assessee has given details of each and every expenditure which has been incurred in the regular course of business and these details even include minor expenses of Rs. 20/-, Rs.10/-, Rs. 50/-, Rs.33/- and so on. Further, it is consistently held by various judicial forums that ad hoc additions without any basis and without pointing out any mistake in the books of account are not sustainable. We, therefore, in the given facts and circumstances of the case and looking to the volume of

turnover achieved by the assessee, income disclosed in the income tax return, regular books of accounts maintained and audited and complete details available on record in support of the expenditure, find no reason to uphold the findings of the learned CIT(A) sustaining the disallowance of Rs.5,00,000/-. We accordingly delete the same and allow ground nos. 1 and 2 of the assessee's appeal.

6. Ground no. 3 is general in nature and requires no adjudication.

7. In the result, the appeal of the assessee stands allowed.

The order pronounced in the open Court on 15.02.2018.

Sd/-

sd/-

**(KUL BHARAT)
JUDICIAL MEMBER**

**(MANISH BORAD)
ACCOUNTANT MEMBER**

दिनांक /**Dated : 15 February, 2018**

Copy to: The Appellant/Respondent/CIT concerned/CIT(A) concerned/
DR, ITAT, Indore/Guard file.

By order

Private Secretary/DDO, Indore

1. Date of dictation : 8.2.2018
2. Date on which the typed draft is placed before the Dictating Member : 9.2.2018
3. Date on which approved draft comes to the Sr.P.S./P.S:

- 4.** Date on which the fair order is placed before the dictating Member for pronouncement:
- 5.** Date on which the fair order comes back to the Sr.P.S./P.S.:
- 6.** Date on which the file goes to the Bench Clerk:
- 7.** Date on which the file goes to the Head Clerk:
- 8.** The date on which the file goes to the Assisstant Registrar for signature of the order.
- 9.** Date of Despatch of the Order: