

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM**

**BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER &
SHRI D.S. SUNDER SINGH, HON'BLE ACCOUNTANT MEMBER**

**ITA No. 460/VIZ/2016
(Asst. Year : 2012-13)**

DCIT, Circle-2(1),
Vijayawada.

vs.

Smt. Saroja Ramesh
Dhulipudi, D.No. 32-13-8,
Boyapati Madhava Rao St.,
Mogulrajapuram,
Vijayawada.

(Appellant)

PAN No. ACOPK 0638 G
(Respondent)

**C.O.No. 10/VIZ/2018
(Arising out of ITA No. 460/VIZ/2016)
(Asst. Year : 2012-13)**

Smt. Saroja Ramesh
Dhulipudi, D.No. 32-13-8,
Boyapati Madhava Rao Street,
Mogulrajapuram, Vijayawada.

vs.

DCIT, Circle-2(1),
Vijayawada.

PAN No. ACOPK 0638 G
(Applicant)

(Respondent)

Assessee by : Shri C. Subrahmanyam, FCA.
Department By : Shri Ch. Sanjeev, Sr.DR

Date of hearing : 07/09/2018.
Date of pronouncement : 05/10/2018.

ORDER

PER V. DURGA RAO, JUDICIAL MEMBER

This appeal by the Revenue and the cross objection by the assessee are directed against the order of Commissioner of Income Tax (Appeals), Vijayawada, dated 31/08/2016 for the Assessment Year 2012-13.

2. Facts of the case, in brief, are that the assessee is an individual doing business of cutting and stitching of uniforms under the name and style of M/s. Laasya Garments, has filed her return of income, admitting total income of Rs. 16,92,660/-. Return filed by the assessee was initially processed under section 143(1) of the Income Tax Act, 1961 (hereinafter referred to as 'Act'). Subsequently, the case of the assessee was selected for scrutiny through CASS. The Assessing Officer has issued notices under section 143(2) & 142(1) on 23/09/2013, but no response from the assessee. Therefore, the Assessing Officer has completed assessment under section 144 of the Act. During the course of assessment proceedings, the Assessing Officer has noted that the assessee is in receipt of other income of Rs. 7,53,15,362/- and admitted income of Rs. 17,26,680/- claiming huge expenditure at

Rs. 7,35,88,712/-. During the course of assessment proceedings, the assessee was asked to produce the details of the expenditure. The assessee could not respond to any of the notices issued. The expenditure claimed, has to be proved by the assessee by producing the books of account, bills/vouchers etc., however, the assessee has not done it. Considering the fact that for carrying any business, certain expenditure is necessarily to be incurred. Since the expenditure claimed by the assessee is on higher side and is not proved, therefore, disallowed 25% of expenses claimed, which worked out at Rs. 1,83,97,178/- and added to the income returned.

3. On appeal before the Id. CIT(A), it was submitted that in subsequent years, the Assessing Officer himself allowed expenditure and estimated the income at 8% of the turnover. The Id. CIT(A) by considering the explanation of the assessee and also subsequent assessment years, directed the Assessing Officer to estimate the income at 8% of the turnover. We find no infirmity in the order passed by the Id. CIT(A). Thus, this appeal filed by the Revenue is dismissed.

4. So far as Cross Objection is concerned, it is time barred by 377 days and no condonation application is filed, therefore, same is dismissed in *limine*.

5. In the result, appeal filed by the Revenue and the Cross Objection filed by the assessee are dismissed.

Order Pronounced in open Court on this 05th day of Oct., 2018.

Sd/-
(D.S. SUNDER SINGH)
Accountant Member

sd/-
(V. DURGA RAO)
Judicial Member

Dated : 05th Oct., 2018.

vr/-

Copy to:

1. The Assessee - Smt. Saroja Ramesh Dhulipudi, D.No. 32-13-8, Boyapati Madhava Rao Street, Mogulrajapuram, Vijayawada.
2. The Revenue - DCIT, Circle-2(1), Vijayawada.
3. The Pr.CIT, Vijayawada.
4. The CIT(A), Vijayawada.
5. The D.R., Visakhapatnam.
6. Guard file.

By order

(VUKKEM RAMBABU)
Sr. Private Secretary,
ITAT, Visakhapatnam.