

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ 'A' अहमदाबाद ।

**IN THE INCOME TAX APPELLATE TRIBUNAL
"A" BENCH, AHMEDABAD**

**BEFORE SHRI RAJPAL YADAV, JUDICIAL MEMBER
& SHRI AMARJIT SINGH, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No.2496/Ahd/2017

(निर्धारण वर्ष / Assessment Year: 2014-15)

M/s Minal Intermediates Plot No. 1504 Phase IV GIDC Estate, Naroda Ahmedabad- 382330	बनाम/ Vs.	ACIT Circle- 7(2) Nature View Building Off Ashram Road Ahmedabad
स्थायी लेखासं./जीआइआरसं./PAN/GIR No.: AAE FM5 214 A		
(अपीलार्थी/Appellant)	..	(प्रत्यर्थी / Respondent)

अपीलार्थी ओर से/Appellant by :	ShriS. N. Divatia, A.R.
प्रत्यर्थीकीओरसे / Respondentby:	ShriS. K. Dev, Sr. DR

सुनवाईकीतारीख/Date ofHearing	13/06/2019
घोषणाकीतारीख /Date of Pronouncement	18/06/2019

आदेश/ORDER

PER AMARJIT SINGH - AM:

The appeal filed by the assessee for A.Y. 2014-15, arise from order of the CIT(A)-7, Ahmedabad dated 21.08.2017, in proceedings under section 143(3) of the Income Tax Act, 1961; in short "the Act".

2. All the three ground of appeal of the assessee against the order of Ld. CIT(A) are pertained to the solitary issue of disallowance of various expenses to the amount of Rs. 3,88,890/-.

3. The fact in brief is that return of income declaring income of Rs. 1,54,50,068/- was filed on 30.11.2014. Subsequently the case was selected under scrutiny by issuing of notice of u/s. 143(2) of the Act on 01.09.2015.

During the course of assessment the A.O. has noticed that assessee has claimed following expenses in the profit and loss account:

1.	Machinery Repairs	Rs. 14,16,591/-
2.	Technical Staff Salary	Rs. 16,08,308/-
3.	Pollution Exp.	Rs. 8,64,040/-

The A.O. has asked the assessee to furnish the name, address and PAN of the person to whom the aforesaid expenses have been paid along with TDS detail. The assessee has failed to furnish the detail required by the assessee, therefore, the A.O. has disallowed 10% of the aforesaid expenses to the amount of Rs. 3,88,890/- (10% of Rs. 38,88,939/-) and added to the total income of the assessee.

4. Aggrieved assessee filed appeal before Ld. CIT(A) has dismissed the appeal of the assessee.

During the course of appellate proceeding before us the Ld. Counsel has filed Paper Book containing detail of information and document submitted before AO and CIT(A) during the course of assessment and appellate proceedings. The Counsel has also contended that assessee has filed sufficient information and detail of the expenditure, therefore, Ld. CIT(A) is not justified in confirming the disallowance of 10% of the expenses made by the A.O.

5. On the other hand the Ld. DR has supported the order of lower authorities.

6. We have heard the rival contention and perused the material on record. It is noticed that the assessee has claimed total expenses to the amount of Rs. 3,88,939/- under the head machinery repair expenses, pollution expenses and technical staff salary. The A.O. has disallowed 10% of such expenses on account of not furnishing the specified information by the assessee. In this regard, we have noticed that assessee in its submission mentioned at Page 9 to 14 of the CIT(A) order has furnished the detail of technical staff to whom the salary was paid by A/c payee cheque under the head technical staff salary and also given the detail of

major amount of expenses in respect of repairing of machinery and most of the payment were made by A/c payee cheque. Similarly in respect of pollution control expenses it was submitted that most of the payments were made by A/c payee cheque and a copy of high amount of expenses were also enclosed.

In view of the aforesaid facts and circumstances it is clear that the assessee has failed to furnish the complete supporting evidences in respect of aforesaid expenses as desired by the A.O., however, after considering the detailed furnished by the assessee we consider that it will be reasonable to restrict the disallowance to the extent of 5% of the expenses as against disallowance of 10% of such expenses made by the A.O. Therefore, we restrict the disallowance 5% of the above expenses i.e. Rs. 1,94,445/- (5% of Rs. 3,88,939/-). Accordingly, the appeal of the assessee is partly allowed.

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

This Order pronounced in Open Court on 18/06/2019

Sd/-
(RAJPAL YADAV)
JUDICIAL MEMBER

Ahmedabad: Dated 18/06/2019

TANMAY

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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.

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण, अहमदाबाद ।