

**आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, "बी", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B', CHANDIGARH**

**श्री संजय गर्ग, न्यायिक सदस्य एवं श्रीमती अन्नपूर्णा गुप्ता, लेखा सदस्य
BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER AND
Ms. ANNAPURNA GUPTA, ACCOUNTANT MEMBER**

आयकर अपील सं./ ITA No. 1065/CHD/2018

निर्धारण वर्ष / Assessment Year : 2010-11

M/s Sharman Udyog Pvt Ltd., D-43, Phase V, Focal Point, Ludhiana	बनाम	The DCIT, Central Circle-III, Ludhiana
स्थायी लेखा सं./PAN No: AACCS5208F		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारित की ओर से/Assessee by : **Shri Sudhir Sehgal, Advocate
Proxy counsel for Shri Amarjjet Kamboj**
राजस्व की ओर से/ Revenue by : **Shri G.S. Phani Kishore, CIT DR**

सुनवाई की तारीख/Date of Hearing : 31.10.2019
उद्घोषणा की तारीख/Date of Pronouncement : 31.10.2019

आदेश/Order

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 11.6.2018 of the Commissioner of Income Tax (Appeals)-5, Ludhiana [hereinafter referred to as 'CIT(A)'].

2. An adjournment has been sought by the Ld. Authorized Representative in this case, however, after going through the record of the case, we deem it appropriate to decide the case after hearing the Ld.

DR. However, Shri Sudhir Seghal, Ld. Advocate voluntarily offered to assist this Court on behalf of the assessee.

3. The sole issue raised in this appeal is relating to the adhoc disallowance made by the Assessing Officer and confirmed by the Ld. CIT(A) out of vehicle repair & maintenance expenses and also proportionate disallowance of personal use of Company Car.

4. We have heard the rival contentions of the Ld. Representatives of the parties and gone through the record. Shri Sudhir Sehgal, Ld. proxy counsel for the assessee, at the outset, invited our attention to the order of the CIT(A), wherein, it has been mentioned that vehicles were registered in the name of the assessee company and the perquisite of car used by the director is added in their individual Income-tax return. Once the prerequisite of car has been added into the income of the director and the vehicle were registered in the name of the company, under the circumstances, the disallowance on account of maintenance of car or personal use of the director was not warranted.

4. In view of this, we do not find any justification on the part of the lower authorities to make the impugned addition. The same is accordingly ordered to be deleted.

The appeal of the assessee is hereby allowed.

Order dictated and pronounced in the Open Court immediately on completion of hearing.

Sd/-
(अन्नपूर्णा गुप्ता / ANNAPURNA GUPTA)
लेखा सदस्य/ Accountant Member

Sd/-
(संजय गर्ग / SANJAY GARG)
न्यायिक सदस्य/ Judicial Member

Dated : 31.10.2019

“आर.के.”

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT,
CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar