

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "A", MUMBAI
Before Shri Shamim Yahya (A.M.) & Shri Pawan Singh (JM)

ITA No. 2066/Mum/2018(Assessment year : 2012-13)

M/s Libra Realtors Pvt Ltd Ground Floor, Dewan Tower Station Road, Navghar Vasai, Thane-401 202 PAN : AAACL1096N	vs	ACIT, Cent.Cir-4, Thane
APPELLANT		RESPONDEDNT

Appellant by	None
Respondent by	Shri Michael Jerald (Sr DR)
Date of hearing	03-02-2020
Date of pronouncement	07-02-2020

ORDER

PER PAWAN SINGH, JM :

This appeal by assessee is directed against the order of CIT(A)-3, Thane for assessment year 2012-13. The assessee has raised the following grounds of appeal:-

“Grounds of appeal against the appellant order & grounds of decision dated 01/12/2017 passed by the Hon'ble Commissioner of Income Tax (Appeals) - 3, Thane.

Following grounds of appeal are without prejudice to each other:

1. The Learned CIT (A) has erred in law & on facts in upholding the Learned AO's action of disallowing interest expenses to the tune of Rs.4,66,06,955/- u/s 37(1) of the IT Act, 1961, which is bad in law.
2. The Learned CIT (A) has erred in law & on facts in upholding the Learned AO's action of disallowing travelling expenses to the tune of Rs.30,82,359/- which is bad in law.”

2. Brief facts of the case as extracted from the order of the lower authorities are that the Assessee Company is engaged in the business of builder and developer. The assessee, while filing return of income declared Nil income under the normal provisions of the I.T. Act after claiming current year's business loss and carried forward to subsequent year for R.4.91 crores and set off of current year income from House Property amounting to Rs.8.50 lakhs and income from other sources of R.60,000. The case was selected for scrutiny. The assessment was completed u/s 143(3) on 20-03-2015. The AO, while passing the assessment order disallowed interest expenses of Rs.4.66 crores and travelling expenses of Rs.30,82,359/-. On appeal before CIT(A), both the disallowances were confirmed. Thus, further aggrieved, the assessee has filed present appeal before us.

3. None appeared on behalf of assessee despite service of notice of hearing. Perusal of record reveals that several adjournments were sought on behalf of assessee by M/s Thar & Co, CAs. However, today neither any adjournment application has been received nor any representation from the office of the CA has been turned out to attend the proceedings. Therefore, we are left with no option except to decide the material available on record, after hearing submission of Ld. DR for the revenue.

4. We have heard the submissions of the Ld. DR for the revenue. The Ld DR for the revenue supported the additions / disallowances made by the

AO. For disallowance of interest expenses, the Ld. DR submits that during the assessment, the assessee in show cause against the interest disallowance submitted that advance of Rs.30 crores was given to Satyam Realtors as part of consideration for purchase of property, the assessee failed to substantiate the claim by producing documentary proof. The assessee failed to prove that the advances were given for any business expediency. On disallowance of travelling expenses, the Ld. DR submits that assessee has not furnished any detail or explanation and evidences with regard to travelling expenses and failed to substantiate the expenses, if the expenses were made wholly and exclusively for the purpose of business. The Ld. DR further submits that even before Tribunal, the assessee has not given any evidence.

5. We have considered the submissions of Ld. DR for the revenue and perused the material available on record. 6. Ground 1 relates to disallowance of Rs.4.66 crores u/s 37. During the assessment the AO disallowed the interest expenses by taking view that assessee failed to substantiate that advance made to Satyam Realtors was on account of any business expediency. The Ld. CIT(A) affirmed the action of AO with similar reasoning. Before us, the assessee neither came forward nor filed any documentary evidence to prove the business expediency. No documentary evidence to substantiate the genuineness of transaction for making advance

payment to Satyam Realtors. Therefore, we do not find any merit in the grounds of appeal.

7. With regard to the second ground pertaining to disallowance of travelling expenses of Rs.30,82,359/-, we noted that the assessing officer disallowed the same in absence of any evidences. Before the Ld.CIT(A) also, the position remained the same. The assessee only stated that the expenditure was incurred substantially by Director, Mr. Romy Mehta. In the absence of any details of expenditure coming forth, the Ld. CIT(A) confirmed the disallowance. The assessee is not before us to make the situation good so as to enable us to arrive at a different conclusion. The assessee neither filed any submissions nor any documentary evidences to substantiate that there was any business expediencies on the expenses incurred on travelling. Therefore, we confirm the action of Ld. CIT(A). Ground 2 of the assessee fails.

8. In the result, appeal filed by the assessee is dismissed.

Order pronounced in the open court on 07-02-2020.

Sd/-

Sd/-

(Shamim Yahya)	(Pawan Singh)
ACCOUNTANT MEMBER	JUDICIALMEMBER

Mumbai, Dt : 07th February , 2019

Pk/-

Copy to :

1. Appellant
2. Respondent

3. CIT(A)
 4. CIT
 5. DR
- /True copy/*

By order

Asstt. Registrar, ITAT, Mumbai