

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'B', NEW DELHI

BEFORE SH.SUDHANSHU SRIVASTAVA, JUDICIAL MEMBER
AND
SH. PRASHANT MAHARISHI, ACCOUNTANT MEMBER

ITA No.3206/Del/2015
(Assessment Year: 2007-08)

Bhayana Interiors & Furnishers Pvt. Ltd. 7, Factory Road, Near Safdarjung Hospital New Delhi PAN No. AABCB8161D (APPELLANT)	Vs	Income Tax Officer Ward- 2 (4) New Delhi (RESPONDENT)
--	----	--

Appellant by	None
Respondent by	Sh. S. N. Meena, Sr. DR

Date of hearing:	07/11/2019
Date of Pronouncement:	03/02/2020

ORDER

PER PRASHANT MAHARISHI, AM:

1. This appeal is filed by the assessee against the order of the Id CIT(A)-14, New Delhi dated 13.03.2015 for Assessment Year 2007-08 raising effectively Ground Nos. 2 and 3 of the appeal as under:-
 - “2. *The Learned Commissioner of Income Tax (Appeals)-XIV has wrongly, arbitrarily and without appreciating the facts of the case, confirmed addition of Rs 16,52,905/- to the income of the assessee Company amount short received from parties relating to sales, even though all the necessary ledger accounts with confirmations have been filed during the course of fr assessment proceedings.*
 3. *The Learned Commissioner of Income Tax (Appeals)-XIV has wrongly, arbitrarily and without appreciating the facts of the case, confirmed the disallowance of Rs 15,00,000/- out of foreign travelling on the ground that the same has not been incurred for the purpose of the business of the assessee Company.”*
2. Brief facts of the case shows that assessee filed its return of income on 31.10.2007 declaring income of Rs. 1,78,961/-. The assessment u/s 143(3)

of the Income Tax Act, 1961 was completed on 07/12/2009 at Rs. 1,98,699/-. The Id CIT(A) passed an order u/s 263 of the Act on 27.03.2012, pursuant to that the assessment u/s 143(3) read with section 263 was passed on 26.03.2012 at Rs. 65,28,297/-. The assessee challenged the same before the Id CIT(A) who dismissed the appeal of the assessee. The Id CIT(A) confirmed the addition of Rs. 1652905/- on account of difference in the sale proceeds in painting. He also confirmed the disallowance out of traveling expenditure amounting to Rs. 15 lakhs which is pending to Assessment Year 2008-09. Against these two additions the appeal of the assessee is filed. The ground No. 2 is of addition of Rs. 16,52,905/-. The assessee has shown sales of Rs. 16032453/- in profit and loss account however, the details filed during the course of assessment proceedings it was found that assessee has sold paintings of Rs. 1,76,85,000/-. The assessee was asked to explain the same. The assessee tried to explain and submit the difference is on account of sales return. He also filed the confirmation with respect to three parties. The Id AO issued noticed u/s 133(6) out of these three parties, two parties denied to have made any sales return to the assessee. The third party could not be served such notice. Therefore, the Id AO issued further notice to the assessee to show cause why the above addition should not be made to the income of the assessee. To this the assessee did not reply. In view of this the Id AO made the addition. Before the Id CIT(A) the above addition was confirmed. Therefore, the assessee has challenged it vide ground No. 2.

3. The second addition challenged is the addition of Rs. 15 lakhs out of travelling expenditure. The assessee has claimed Rs. 3998135/- on account of various travelling expenditure during the 143(3) assessment itself the assessee admitted that Rs. 15 lakhs was paid to Uniglobe Mode Tours and Travels which did not pertain to the impugned assessment year. The assessee surrendered the above disallowance before the Id AO vide letter dated 09.02.2013 and therefore, same was disallowed. Before the Id CIT(A) assessee challenged the same and he confirmed it.

4. Despite notice none appeared on behalf of the assessee. Prior to this date of hearing there were already six adjournments granted to the assessee. There is no plausible reason given by the assessee for adjournment. In view of this, the appeal is decided as per facts available on record and adjournment request of the assessee is rejected.
5. The Id DR vehemently supported the order of the lower authorities.
6. We have carefully considered the grounds on which the addition of Rs. 1652905/- has been added to the total income of the assessee. As per details furnished by the assessee in the assessment proceedings total sales of painting was found to be at Rs. 1768000/- whereas the assessee has shown sales of Rs. 16032453/-. The confirmation submitted of sales return of the above difference was found to be falls and assessee failed to reply with cogent evidence about the above difference before the lower authorities. Further, out of three parties two parties have denied any sales return to the assessee company. Thus, it is conclusively proved by the Id AO that the explanation of the assessee was incorrect and the addition was made. We find no infirmity in the order of the lower authorities. Accordingly, ground No. 2 of the appeal is dismissed.
7. Ground No. 3 relating to disallowance of Rs. 15 lakhs as already been accepted by the assessee before the Id CIT(A) that it did not pertain to the impugned assessment year by letter dated 09.02.2013, we do not find any infirmity in the orders of the authorities in confirming the above disallowance.
8. In the result, appeal of the assessee is dismissed.

Order pronounced in the open court on 03/02/2020

-Sd/-
(SUDHANSHU SRIVASTAVA)
JUDICIAL MEMBER

-Sd/-
(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER

**AK KEOT **

Date: 03/02/2020

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI