

*IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA BENCH "SMC" GAUHATI*

Before **Shri SANJAY GARG, Judicial Member**

आयकर अपील सं.य/ITA No. 36/Gau/2019 Assessment Year:2012-13

Arunodoi Apartment Private Limited PAN: AABCA 7523J	<u>बनाम /</u> V/s.	DCIT, Circle-2, Guwahati
अपीलार्थी /Appellant	..	प्रत्यर्थी /Respondent

Hearing through video Conferencing

अपीलार्थी की ओर से/By Appellant	Shri Anil Kumar Agarwala, FCA, A.R
प्रत्यर्थी की ओर से/By Respondent	Shri Amitava Sen, JCIT, SR-DR
सुनवाई की तारीख/Date of Hearing	16-03-2021
घोषणा की तारीख/Date of Pronouncement	16-03-2021

आदेश /O R D E R

The present appeal has been preferred by the assessee against the order dated 29-11-2018 of the Commissioner of Income-tax (Appeals)-1, Guwahati [hereinafter referred to as 'CIT(A)'].

2. The assessee in this appeal has contested the validity of confirmation of addition of Rs. 1,64,911/-, which was made by the Learned Assessing Officer (in short, the Ld. AO) on account of under valuation of work in progress.

3. At the outset, Ld. counsel for the assessee has brought my attention to the impugned assessment order. A perusal of the relevant part of the assessment order shows that the only reason for making the impugned addition made by the Ld. AO is as under:-

“ The possibility of undervaluation of work in progress cannot be ruled out and as such I add 2% to value of Work in Progress on estimate to take care of Revenue Recognition on Construction Contracts, which comes to Rs. 13, 64,911/- i.e 2% of Rs. 6,82,45,563/-.”

4. A perusal of the above reason shows that the Ld. AO has not pointed out any error or defect in the accounts furnished by the assessee. He has just mentioned that the possibility of undervaluation of work in progress cannot be ruled out. Merely on this basis, he added 2% of the value of work in progress, which is on estimate basis. The Ld. CIT(A) also upheld the order of the Ld. AO in a mechanical manner without application of mind. The reasons mentioned in the assessment order for making the impugned addition are vague, absurd and baseless. These reasons are based solely on assumptions of the Ld.AO. The Ld. AO without pointing out any error/defect in the accounts or any other evidence regarding undervaluation of work in progress, made the impugned addition, which is not sustainable in the eyes of law. Accordingly, the same is ordered to be deleted.

In view of the above, the appeal of the assessee stands allowed.

Order pronounced in open court at the time of hearing on
Tuesday, 16th March, 2021.

Sd/-
(Sanjay. Garg)
Judicial Member

**PP/Sr.PS

दिनांक:- 16-03-2021 कोलकाता/Kolkata

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. अपीलार्थी/Appellant/

Assessee: Arunudoi Apartment Private Limited M.C Road, Opp: Guwahati Club, Guwahati-781003, Assam, 781003.

2. प्रत्यर्थी/Respondent-DCIT, Cir-2, Aaykar Bhawan, G.S Road, Christian Basti, Guwahati-781005. Assam

3. संबंधित आयकर आयुक्त / Concerned CIT

4. आयकर आयुक्त- अपील / CIT (A)

5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण कोलकाता / DR, ITAT, Guwahati

6. गार्ड फाइल / Guard file.

By order/आदेश से,

/True Copy/

Senior Private Secretary