

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'C', NEW DELHI**

**BEFORE SHRI AAKASH DEEP JAIN, VICE PRESIDENT
AND
DR. BRR KUMAR, ACCOUNTANT MEMBER**

ITA No. 4770/Del./2018 : Asstt. Year : 2012-13

Hari Singh Choudhary 45B, Pocket-A1, Mayur Vihar, Phase-III, New Delhi.	Vs	ACIT, Circle 60(1), New Delhi.
(APPELLANT)		(RESPONDENT)
PAN No. AELPC0955P		

**Assessee by : Shri Amol Sinha, Advocate
Revenue by : Shri Raval J. Pradip Kumar, Sr. DR**

Date of Hearing: 11.04.2022	Date of Pronouncement: 11.04.2022
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ORDER

Per Dr. B. R. R. Kumar, Accountant Member:

The present appeal has been filed by the assessee against the order of the Id. CIT(A)-19, New Delhi dated 18.04.2016.

2. Following grounds have been raised by the assessee:
- "2. *The Assessing Officer/Respondent has disallowed the payment of Rs.18,25,492/- made by the Assessee/Appellant to the local suppliers for the purchase of raw materials for execution of contracts on urgent need basis u/s 40A(3) of the IT Act saying these payments were above Rs.20,000/- in a day. The CIT(A)-1 has erred in confirming the same.*
3. *The CIT(A)-1 has erred in confirming the disallowance made by the Assessing Officer who has assessed deemed Rent in respect of residential property*

in Ghaziabad(UP) taxable under the head income from house property u/s 23(4)(b) of the IT Act of Rs.50820/- whereas the said premises was not vacant and was being used for business purposes.”

3. Ground No.3 not pressed.

4. The AO made disallowance of Rs. 39,47,047/- u/s 40A(3) in respect of purchases made by the assessee. During the course of assessment proceedings, the Assessing Officer found that the assessee had made purchases in cash exceeding Rs. 20,000/- on a particular day. The Assessing Officer disallowed the same u/s 40A(3) of the Act. During the course of appellate proceeding before the Id. CIT(A), the assessee submitted that the assessee is a civil contractor and doing business mainly for Delhi Public Schools in the State of Delhi and Uttar Pradesh & for Maruti in the State of Haryana and he has purchased some raw materials, i.e., building material like rori, badarpur, bricks and soil (mitti) from the local suppliers on urgent basis for execution of works on respective sites.

5. Some purchases were, i.e., in the State of Uttar Pradesh to the tune of Rs. 17,62,112/- supported by 74 bills, in the State of Delhi Rs. 40,380/- supported by 2 bills and in the State of Haryana to the tune of Rs. 23,000/- supported by one bill, all the above bills are in the name of the assessee's proprietary firm namely, i.e., Shiva Builders & Contractors, made above Rs. 20,000/- against a single bill. However, the assessee has made the payment in two times below Rs. 20,000/- for each for the respective bill in a day for the same.

6. Before us, it was argued that out of the addition made of Rs.39,47,000/-, the Id. CIT(A) has allowed except amount of

Rs.18,25,490/-. It was argued that the Id. CIT(A) has not given any reasons even for the deletions nor for additions. No rationale has been given with regard to the confirmation of the amount. It was argued that except two bills in the state of Haryana which were to the tune of Rs.23,000/- each, all other bills were less than Rs.20,000/- paid to various parties.

7. The Id. Sr. DR relied on the order of the Id. CIT(A).

8. Having gone through the record, we find that since the bills are less than Rs.20,000/- except two bills Rs.23,000/- each, we hereby direct that the disallowance be restricted to Rs.64,000/- u/s 40A(3).

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

Order Pronounced in the Open Court on 11/04/2022.

Sd/-
(A.D. JAIN)
VICE PRESIDENT

Sd/-
(DR. B. R. R. KUMAR)
Accountant Member

Dated: 11/04/2022

*Kavita Arora

Copy forwarded to:

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

ASSISTANT REGISTRAR