



**IN THE INCOME TAX APPELLATE TRIBUNAL,
CUTTACK BENCH, CUTTACK**

**BEFORE S/SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND ARUN KHODPIA, ACCOUNTANT MEMBER**

ITA No.111/CTK/2022

Assessment Year : 2017-18

Bhikari Charan Meher, Marwaripara, Sambalpur	Vs.	DCIT/ACIT, Circle 1(1), Sambalpur
PAN/GIR No.ACKPM 3263 D		
(Appellant)	..	(Respondent)

Assessee by : Shri P.K.Mishra, AR
Revenue by : Shri S.C.Mohanty, Sr DR

Date of Hearing : 17/11/2022
Date of Pronouncement : 17/11/2022

ORDER

Per Bench

This is an appeal filed by the assessee against the order of the Id CIT(A), National Faceless Appeal Centre (NFAC), Delhi dated 24.4.2022 in Appeal No. ITBA/NFAC/S/250/2022-23/1042823186(1) for the assessment year 2017-18.

2. Shri P.K.Mishra, Ld AR appeared for the assessee and Shri S.C.Mohanty, Id Sr DR appeared for the revenue.

3. The only issue in assessee's appeal is against the confirmation of adhoc disallowance of Rs.3,54,390/- representing 30% of Rs.11,81,300/- being the land development expenses incurred by the assessee.

4. It was submitted by Id AR that the disallowance was made on adhoc basis even though the assessee had provided the details of the persons, addresses and vehicle Nos. which had been used for the purpose of purchasing sand and leveling the same in respect of sale of land to 32 persons. It was the submission that the books of account have not been rejected and adhoc disallowance has been made. It was the submission that the disallowance is not called for and liable to be deleted in view of the decision of the Hon'ble Supreme Court in the case of Principal Commissioner of Income Tax vs R.G. Buildwell Engineers Ltd., (2018) 99 taxmann.com 284 (SC).

5. In reply, Id Sr DR submitted that the bills and vouchers in respect of the said expenses have not been produced. Id Sr DR drew our attention to page 4 of the assessment order para 2, which was the extract of show cause notice issued by the AO to the assessee. It was the submission that the documents and evidence as called for by the AO was the bills and vouchers, which the assessee has not produced. He also submitted that the bills and vouchers were not produced before the Id CIT(A) even though the assessee has submitted that the documents in respect of the expenses were produced. It was submitted that the order of the Id CIT(A) is liable to be upheld.

6. We have considered the rival submissions. The fact in the present case clearly shows that the disallowance out of land development expenses

is clearly on adhoc basis. Admittedly, the books of account have not been rejected. Once this is so, adhoc disallowance is not permissible. If any disallowance is called for, specific identifiable disallowance could have been made. This has not been done in the present case. This being so, the addition made by the AO and confirmed by the Id CIT(A) stands deleted.

7. In the result, appeal of the assessee is stands allowed.

Order dictated and pronounced in the open court on 17/11/2022.

sd/-
(Arun Khodpia)
ACCOUNTANT MEMBER

sd/-
(George Mathan)
JUDICIAL MEMBER

Cuttack; Dated 17/11/2022
B.K.Parida, SPS (OS)

Copy of the Order forwarded to :

1. The Appellant : Bhikari Charan Meher,
Marwaripara, Sambalpur
2. The Respondent: DCIT/ACIT, Circle 1(1),
Sambalpur
3. The CIT(A)-, NFAC, Delhi
4. Pr.CIT-, Sambalpur
5. DR, ITAT, Cuttack
6. Guard file.
//True Copy//

By order

Sr.Pvt.secretary
ITAT, Cuttack