

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

**Before Sh. C. M. Garg, Judicial Member
Dr. B. R. R. Kumar, Accountant Member**

ITA No. 584/Del/2022 : Asstt. Year: 2016-17

Sh. Naveen Arya, D-944, New Friends Colony, New Delhi-110065 (APPELLANT)	Vs.	ACIT, Circle-28(1), New Delhi (RESPONDENT)
PAN No. ADRPA9337J		

**Assessee by : Ms. Nivedita, Adv.
Revenue by : Ms. Smita Singh, Sr. DR**

Date of Hearing: 19.07.2023	Date of Pronouncement: 31.07.2023
------------------------------------	--

ORDER

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

The present appeal has been filed by the assessee against the order of Id. CIT(A)-10, New Delhi dated 14.06.2019.

2. The assessee has raised the following grounds of appeal:

"1. That On the facts and circumstances of the case, the order passed by the Ld. CIT(A) under section 250 of the Act is bad both in the eyes of law and on facts.

2. That On the facts and circumstances of the case, the order passed by the Ld. CIT(A) under section. 250 of the Act is bad both in the eyes of law and on facts as the assessment order was passed on issues not covered under the reasons for selection for Limited Scrutiny and is therefore in contravention of the circular issued by the CBDT.

3. That the Ld. CIT(A) has erred on facts and in law in upholding the order passed by the Ld. AO under Section 143(3) of the Act.

4. *That the Ld. CIT(A) has erred on facts and in law in sustaining the disallowance expenses made by the Ld. Assessing Officer to the tune of Rs. 11,44,075/- incurred by the appellant as interest income.*

5. *That the Ld. CIT(A) has erred on facts and in law in enhancing the income assessed by the Ld. AO under Section 143(3) of the Act, to the tune of Rs.4,25,570/-.*

6. *On the facts and circumstances of the case, Ld. CIT(A) has erred, both on facts and in law, in sustaining the additions without appreciating the explanations and evidences brought on record by the appellant.*

7. *That the impugned CIT(A) order is arbitrary, illegal, bad in law and in violation of rudimentary principles of contemporary jurisprudence."*

3. Apropos, the relevant facts of the appeal are that the return was selected for limited scrutiny for the following issues:

1. Gross receipts shown in Schedule OS of ITR is less than receipts reported in 26AS u/s 193 and 194A.
2. Large balance in foreign bank account (Schedule FA of ITR)

4. We find that the addition has been made on account of disallowance of expenses which is beyond the purview of limited scrutiny. There was no approval of the Id. PCIT on record or on order to convert the case of limited scrutiny to complete scrutiny as required by the directions of the CBDT and hence, the addition made by the AO is directed to be deleted.

5. In the result, the appeal of the assessee is allowed.
Order Pronounced in the Open Court on 31/07/2023.

Sd/-

(C. M. Garg)
Judicial Member

Dated: 31/07/2023

Ajay Kumar Keot, Sr. PS

Copy forwarded to:

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

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member

ASSISTANT REGISTRAR