

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

**Before Sh. Kul Bharat, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**ITA No. 2392/Del/2019 : Asstt. Year: 2014-15**

Rishabh Motors P. Ltd, L-19, Green Park Main, New Delhi-110016 (APPELLANT)	Vs.	ACIT, Circle-19(1), New Delhi (RESPONDENT)
<b>PAN No. AAACR0010Q</b>		

**Assessee by : Sh. R. S. singhvi, CA**

**Revenue by : Sh. Vivek Vardhan, Sr. SR**

**Date of Hearing: 01.08.2023**

**Date of Pronouncement: 09.08.2023**

**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)-7, New Delhi dated 12.02.2019 passed by the AO u/s 143(3) of the Income Tax Act, 1961.

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

"1. (a) *That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding disallowance of Rs.9,58,983/- on account of increase in trade payable as compared last year on highly arbitrary basis and without appreciating the facts of the case.*

*(b) That trade payables are part of trading result and in absence of any dispute about genuineness of the audited trading results, the impugned disallowance is not sustainable on facts and under the law.*

*(c) That the CIT(A) has mechanically made reference to remand report which was not based on proper appreciation of facts and totally disregarded the detailed rejoinder and as such the whole basis of disallowance is illegal and arbitrary.*

*(d) That in any case, the issue of disallowance has to be considered in the context of past history and accordingly there is no justification for impugned disallowance and same is made on mechanical basis.*

2. *That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding the disallowance of Rs.1,81,252/- on the alleged ground of late deposit of contribution towards EPF & ESI which was verifiable from the Tax Audit Report available on record.*
3. *(a) That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding the disallowance of Rs. 18,58,928/- in respect of claim of rent on the alleged ground that same is in excess of amount claimed in immediately preceding year.*  
*(b) That the Authorities below were not justified in making the disallowance in a mechanical manner and without any basis or doubting the claim of rent payable as per audited accounts. ]*
4. *(a) That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding the disallowance of Rs.3,30,431/- being claim of advertisement expenses on the alleged ground of non deduction of TDS.*  
*(b) That the Authorities below were not justified in making the disallowance without pointing out any item of inadmissible nature or doubting the genuineness of the expenditure towards advertisement.*
5. *(a) That under the facts and circumstances of the case, Ld. CIT(A) was not justified in upholding adhoc disallowance of Rs.4,64,397/- being 30% of claim of Conveyance and Travelling of Rs.15,47,988/- even though same is duly supported from audited accounts.*  
*(b) That the Authorities below were not justified to make adhoc disallowance without pointing out any specific defect particularly when the claim is fully supported from documentary evidences.*
6. *(a) That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding adhoc disallowance of Rs.1,24,40,098/- being 25% of claim of Route Expenses of Rs.4,97,60,391/- even though same is duly supported from audited accounts.*  
*(b) That the impugned ad-hoc disallowance is in total disregard to past history of the case and well settled rule of consistency.*

7. (a) That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding the addition of Rs.24,44,700/- being notional income @12% on loans and advance of Rs 2,03,72,500/-
- (b) That in absence of any specific provision under Income Tax Act, 1961 or any case of nexus between loans & advance and interest bearing borrowed funds, the impugned addition of notional interest is illegal and not sustainable under facts and law.
8. (a) That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding the disallowance of Rs.2,78,044/- and Rs. 14,92,287/- being Computer AMC Expenses and generator expenses totaling to Rs.17,70,331/- in total disregard to evidences placed on record.
- (b) That the Authorities below were not justified in making disallowance in a mechanical manner without pointing out any item of inadmissible nature.
9. That under the facts and circumstances of the case, the Ld. CIT(A) was not justified in upholding the addition of Rs. 1,08,283/- on the alleged ground of non declaration of income.
10. That the assessee craves the right to add, amend, delete or substitute any ground of appeal.
11. That the order framed is against the facts of the case and bad in law."

2. Ground No. 2 not pressed hence, dismissed. (ESI & PF)

3. With regard to the expenses, the assessee has submitted the entire details before us and also before the authorities below. Since, the matter involves verification of the vouchers, the AO is directed to go through the vouchers and take a decision in accordance with law. The AO is directed not to make any additions on **adhoc** basis without bringing any tangible material on record.

4. In the result, the appeal of the assessee is allowed for statistical purpose.

Order Pronounced in the Open Court on 09/08/2023.

Sd/-

**(Kul Bharat)**  
**Judicial Member**

**Dated: 09/08/2023**

\*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**