

**आयकर अपीलीय अधिकरण, कोलकाता पीठ 'बी', कोलकाता**  
**IN THE INCOME TAX APPELLATE TRIBUNAL "B" BENCH KOLKATA**

**श्री संजय गर्ग, न्यायिक सदस्य एवं श्री मनीष बोरड, लेखा सदस्य के समक्ष**  
Before Shri Sanjay Garg, Judicial Member and Dr. Manish Borad, Accountant Member

I.T.A No.689/Kol/2023  
Assessment year: 2013-14

M/s C & E Ltd.....Appellant  
95A, Park Street,  
2<sup>nd</sup> Floor, Kolkata-700016.  
[PAN: AACCC5418K]

vs.

CIT-4, Kolkata.....Respondent

**Appearances by:**

Shri Srikumar Banerjee, FCA, appeared on behalf of the appellant.

Shri P. P. Barman, Addl. CIT-Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : September 11, 2023

Date of pronouncing the order : September 11, 2023

**आदेश / ORDER**

**संजय गर्ग, न्यायिक सदस्य द्वारा / Per Sanjay Garg, Judicial Member:**

The present appeal has been preferred by the assessee against the order dated 31.05.2023 of the National Faceless Appeal Centre (hereinafter referred to as the 'CIT(A)') passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act').

2. The sole issue raised by the assessee in this appeal is relating to the ad hoc disallowance made by the Assessing Officer of Rs.10,00,000/- out of the total 'other expenditure' claimed of Rs.10,30,39,840/-. The Assessing Officer noted that in the head 'other expenses', there were certain expenses which were personal in nature such as tickets of Mr. Manoj Kr. Bhaiya and family, cancellation of ticket, expenses paid to Balsamand Lake Palace of Jodhpur etc. including cancellation of ticket

charges of Manoj Bhaiya and family. The Assessing Officer estimated such personal expenditure at Rs.10,00,000/- and disallowed the same on ad hoc basis.

The ld. CIT(A) confirmed the said disallowance.

3. Before us, the ld. Counsel for the assessee has submitted that the personal expenditure commented upon by the Assessing Officer is of Rs.1,58,000/- only, whereas, the Assessing Officer has disallowed the expenditure of Rs.10,00,000/- which is highly excessive.

The ld. DR, on the other hand, has pointed out from the relevant paras of the assessment order to submit that the said personal expenditure was found noticed by the Assessing Officer on sample check basis. That the Assessing Officer has noted that this type of personal expenditure was quite high, however, due to paucity of time it was not possible to check each and every item and therefore he disallowed a sum of Rs.10,00,000/- on ad hoc basis.

The ld. AR in rebuttal has submitted that there was no other expenditure of personal in nature. That it was only the expenditure as mentioned above, which was personal in nature.

4. Considering the rival submissions and going through the facts on file, we notice that some of the expenditure booked by the assessee were found personal in nature. Though, the ld. AR has claimed that except the expenditure pointed out by the Assessing Officer, no other expenditure booked was of personal in nature. On the other hand, the stand of ld. DR is that the expenditure pointed out by the Assessing Officer was just on test check basis and that the Assessing Officer has rightly estimated the disallowance on account of personal expenditure at Rs.10,00,000/-.

Considering the overall facts and circumstances of the case, the disallowance of expenditure on account of personal in nature is restricted to Rs.5,00,000/ on ad hoc basis.

5. In the result, the appeal of the assessee is treated as partly allowed.

***Kolkata, the 11<sup>th</sup> September, 2023.***

Sd/-

[डॉक्टर मनीष बोरड /Dr. Manish Borad]  
लेखा सदस्य /Accountant Member

Sd/-

[संजय गर्ग /Sanjay Garg]  
न्यायिक सदस्य /Judicial Member

Dated: 11.09.2023.

RS

*Copy of the order forwarded to:*

1. M/s C & E Ltd
2. CIT-4, Kolkata
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches