

**IN THE INCOME TAX APPELLATE TRIBUNAL
JODHPUR BENCH 'SMC', JODHPUR**

**BEFORE SHRI SAKTIJIT DEY, VICE-PRESIDENT
AND
SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER**

**ITA No. 211/Jodh/2019
Assessment Year: 2015-16
(Through Virtual Mode)**

M/s. Giriraj Spintex Pvt. Ltd.
B-18, Gokul, Basant Vihar,
Bhilwara.

PAN: AABGG3426G
(Appellant)

Versus Income-tax Officer,
Ward-1, Bhilwara.

(Respondent)

Assessee by : Sh. Priyansh Arora, Adv.
Revenue by : Sh. Rajeev Mohan, JCIT-DR

Date of hearing : 14.09.2023
Date of pronouncement: 20.09.2023

ORDER

This is an appeal by the assessee against order dated 01.08.2018 of learned Commissioner of Income-tax (Appeals), Ajmer for the assessment year 2015-16.

2. There is delay of 236 days in filing the present appeal. After considering the submissions of the parties and perusing materials on record, we are of the view that the delay in filing the appeal was due

to reasonable cause. Accordingly we condone the delay and admit the appeal for adjudication on merits.

3. When the appeal was called out, at the very outset, learned counsel appearing for the assessee, on instructions, submitted that ground No. 1 & 2 have been wrongly taken, as the assessee has already been granted the desired relief by the first appellate authority. Thus, he did not press these two grounds. In view of the aforesaid submission of learned counsel for the assessee, ground Nos. 1 & 2 are dismissed as not pressed.

4. Even, in so far as ground No. 3 is concerned, learned counsel submitted that the figure of disallowance mentioned at Rs.1,00,000/- is by mistake. Actual disallowance, which remains after first appellate order is Rs.50,000/-. Be that as it may, the only surviving ground is ground No. 3. Hence, we proceed to decide this ground.

5. Briefly, the facts relating to the issue are, the assessee is a resident corporate entity stated to be engaged in the manufacturing and sale of synthetic fabrics. In the assessment year under dispute, the assessee had filed its return of income on 22.09.2015 declaring

income of Rs.5,51,890/-. In course of assessment proceedings, the Assessing Officer called for various information and details. After examining them, he observed, in respect of expenses claimed the assessee was unable to furnish complete set of bills and vouchers. Accordingly, on purely estimate basis he disallowed an amount of Rs.1,00,000/- out of expenses claimed. The assessee contested the aforesaid disallowance before learned first appellate authority. After considering the submissions of the assessee, learned first appellate authority restricted the disallowance to Rs.50,000/-.

6. We have considered rival submissions and perused materials on record. A reading of the assessment order reveals that the Assessing Officer has not identified the specific expenses, in connection with which, the assessee could not furnish the required bills/vouchers. In fact, the assessment order on this aspect is cryptic and bereft of any discussion. The Assessing Officer has not specified what is the nature of expenditure he proposed to disallow. Thus, the disallowance is purely of adhoc nature without any reasonable basis. Even, learned first appellate authority has reduced the disallowance to Rs.50,000/- without assigning any reason why the disallowance

has to be made. Since the disallowance made and sustained by the departmental authorities is without proper reasoning, we are inclined to delete the disallowance of Rs.50,000/- sustained by learned first appellate authority. However, it is made clear, this decision of ours is purely based on the facts involved in the present appeal, hence, cannot be taken as a precedent.

7. In the result, appeal is allowed as indicated above.

Order pronounced in the open court on 20/09/2023.

Sd/-

(GIRISH AGRAWAL)
ACCOUNTANT MEMBER

Sd/-

(SAKTIJIT DEY)
VICE-PRESIDENT

Dated: 20.09.2023

*aks/-