

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, AHMEDABAD
BEFORE DR. BRR KUMAR ACCOUNTANT MEMBER**

**ITA No.239/Ahd/2024
Asstt.Year : 2017-18**

Gunatit Reality FF/8, Narsinghdham Complex Opp: Sangam Bus Stop, Harni Road Vadodara 390 022 PAN : AANFG 8015 A	Vs	ACIT Circle 3(1) Vadodara.
---	----	-------------------------------

(Applicant)		(Responent)
--------------------	--	--------------------

Assessee by :	Shri M.J. Shah, Advocate and Shri Rushin Patel, CA
Revenue by :	Shri Ravindra, Sr.DR

सुनवाई की तारीख/**Date of Hearing** : 07/10/2024
घोषणा की तारीख /**Date of Pronouncement**: 07/10/2024

आदेश/ORDER

This is assessee's appeal against the order of the ld.Commissioiner of Income Tax (Appeal)-12, Mumbai dated 13.12.2023 for the Asst.Year 2017-18 passed under section 250 of the Income Tax Act, 1961 ("the Act" for short).

2. Adjournment sought by the ld.counsel for the assessee has been rejected. The ld.DR relied on the order of the ld.CIT(A).

3. The records placed before me have been perused. The assessee has filed return of income declaring loss of (-)Rs.40,74,157/-. Disallowance of 20% of the expenses on account of labour and site expenses incurred by the assessee have been made by the AO on *ad hoc* basis. The AO held that the vouchers submitted by the assessee was not reliable and defied logic.

4. On going through the record before me, it is clear that the reasons for disallowing of the expenses was that the expenses were made on cash. The books of accounts have been duly audited and accepted by the Revenue. The statement of Shri Rahul Parikh recorded by the AO only proved that the expenses made in cash, and nothing beyond. No other reason given by the AO to disallow the expenses on *ad hoc* basis. Keeping in view, the facts on record, the appeal of the assessee is hereby allowed.

Dictated on the Open Court, typed and pronounced on 7th October, 2024.

Copy of this order be given to the assessee. The Registry is directed to dispatch as per procedure.

Sd/-

**(DR. BRR KUMAR)
ACCOUNTANT MEMBER**

Ahmedabad, dated 07/10/2024