



आयकर अपीलीय अधिकरण, राजकोट न्यायपीठ, राजकोट।

**IN THE INCOME TAX APPELLATE TRIBUNAL, "SMC"
RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER**

आयकरअपीलसं./ITA No.412/RJT/2025

निर्धारणवर्ष / Assessment Year: (2019-20)

(Hybrid Hearing)

Prakash Bhikhabhai Thakkar C/o. "Krushna House", 3rd Floor, B/h. Alishan Flats, Near Raiya Telephone Exchange, Rajkot 360005	Vs.	Income Tax department, National Faceless Assessment Centre, Delhi 110001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AFJPT6621C		
(Appellant)		(Respondent)

Appellant by : Shri Viraj Kapuria, Ld. AR

Respondent by : Shri Abhimanyu Singh Yadav, Ld. Sr. DR

Date of Hearing : 03/09/2025

Date of Pronouncement : 17/11/2025

आदेश / ORDER

Per, Dr. Arjun Lal Saini AM;

Captioned appeal filed by the assessee, pertaining to Assessment Year 2019-20, is directed against the order passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") by National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income-tax (Appeals), dated 30/01/2025, which in turn arises out of an order passed by the Assessing Officer dated 17/09/2021, u/s 143(3) read with section 144B of the Income Tax Act, 1961.



2. Grounds of appeal raised by the assessee are as follows:

- “(1) Assessment Order passed u/s. 143(3) r.w.s. 144B of the I. T. Act, 1961 is bad in law.*
- “(2) The Learned AO has erred in law as well as fact in disallowing the expense of Rs. 4,67,800/- on account of various misc. items considering the same as alleged capital expense incurred by the appellant during the year under consideration. The learned CIT(A) has erred in confirming the same and dismissing the appeal of appellant in limine.”*

3. When the matter was called for hearing, the learned AR for the assessee at the outset submitted that the appeal has been filed by the assessee belatedly. The learned AR adverted my attention to the affidavit filed in this regard citing reasons for condonation of delay and urged for a benign view and sought condonation of delay of 73 days in filing the appeal before the Tribunal. The Learned DR for the revenue did not raise serious objection about condonation of delay. A perusal of the affidavit gives me an impression of existence of mitigating circumstances to enable me to exercise my discretion in favor of the assessee. Accordingly, the delay is condoned

4. On merit, the facts of the case, which can be stated quite shortly, are as follows: On perusal of details filed, by the assessee, during the assessment proceedings, the assessing officer observed that assessee has shown purchases from nearby Market (Few Misc Material) amounting to Rs.4,67,800/-. On perusal of bills furnished, by the assessee, the assessing officer observed that assessee has purchased material from nearby market such like Camera, computers and mobiles, aqua -guard and other materials which are capital expenditure in nature and not revenue expenditure. Vide notice u/s 142(1) of the Act, dated 17.08.2021, assessee was asked to explain allowability of the said expenses. Further, it was also observed by the assessing officer that name of some parties from whom assessee has shown purchases and had furnished the bills, not reflecting in list furnished by the assessee. Vide notice u/s 142(1) of the Act, dated 17.08.2021,



assessee was asked to explain the same along with supporting documents. The assessee failed to comply with notice. Thereafter one more opportunity was given to the assessee, vide show-cause notice dated 11.09.2021 to explain the above said purchase along with supporting documents and allowability of the expenses and compliance was fixed on 15.09.2021. The assessee had complied to the notice till date of finalization of the order. However, the assessing officer noticed that assessee has nothing to say/explain and has not furnished any details/documentary evidence and failed to explain the said purchases. Accordingly, an amount of Rs.4,67,800/- was disallowed and added to the total income of the assessee treating the same as capital in nature and not revenue and unproved purchases.

5. On appeal, Ld. CIT(A) confirmed the action of the Assessing Officer, therefore assessee is in further appeal before this Tribunal.

6. Learned Counsel for the assessee submitted that ad-hoc addition of Rs.1,80,000/-, may be sustained in the hands of the assessee, as the assessee, has failed to provide the documentary evidences, in respect of Rs.1,80,000/-.

7. On the other hand, learned DR for the revenue did not raise any objection, if the estimated addition of Rs.1,80,000/-, is sustained in the hands of the assessee, as it is a sufficient addition to protect the interest of the revenue.

8. I have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the Id CIT(A) and other materials brought on record. At the time of hearing, the Ld. Representative for the assessee explained that assessee had failed to provide the bills and vouchers and sufficient evidence in respect of the purchase to the tune of Rs.1,80,000/-, therefore, addition should be sustained in the hands of the



assessee, to the tune of Rs.1,80,000/-. On the other hand, learner DR for the revenue has fairly agreed that out of total amount of Rs.4,67,800/-, an addition in the hands of the assessee, to the tune of Rs.1,80,000/-, is sufficient to protect the interest of the revenue, as the assessee, failed to submit the required documentary evidences, to prove the genuineness of purchase of Rs.1,80,000/-. Therefore, considering these facts and circumstances, and considering the smallness of the amount, I direct the assessing officer, to make addition in the hands of the assessee to the tune of Rs. 1,80,000/-. I, once again emphasise that this decision is rendered on the peculiar facts of this case and having regard to the smallness of the amounts involved, and, therefore, it cannot be construed as laying down propositions of law of general applications.

9. In the result, appeal filed by the assessee, is partly allowed, to the extent indicated above.

Order pronounced in the open court on 17 / 11/ 2025.

Sd/-

**(Dr. A. L. SAINI)
ACCOUNTANT MEMBER**

Rajkot

दिनांक/ Date: 17/11/2025

True Copy

Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot