

आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक
IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK
(THROUGH VIRTUAL HEARING)

श्री जार्ज माथन, न्यायिक सदस्य एवं श्री राजेश कुमार, लेखा सदस्य के समक्ष ।

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND
SHRI RAJESH KUMAR, ACCOUNTANT MEMBER**

आयकर अपील सं/ITA No.384/CTK/2025
(निर्धारण वर्ष / Assessment Year : 2012-13)

Smart Lifestyle Multitrade Pvt Ltd., B/190, BDA Housing Colony, Baramunda, Bhubaneswar	Vs	ITO, Ward 1(4), Bhubaneswar
PAN No. : AANCS 4516 R		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)

निर्धारिती की ओर से /Assessee by	:	Shri P.R.Mohanty, Adv
राजस्व की ओर से /Revenue by	:	Shri Vijaya Singh, Id Sr DR
सुनवाई की तारीख / Date of Hearing	:	3 /12/2025
घोषणा की तारीख/ Date of Pronouncement	:	3 /12/2025

आदेश / ORDER

Per Bench :

This is an appeal filed by the assessee against the order dated 13.6.2025 passed by Id JCIT(A)-3, Chennai in Appeal No.CIT(A), Bhubaneswar-1/10162/2019-20 for the assessment year 2012-13.

2. Shri P.R.Mohanty,fs Id AR appeared for the assessee and Shri Vijaya Singh, Id Sr DR appeared for the revenue.

3. It was submitted by Id AR that the assessee is in the business of real estate. It was the submission that the return filed by the assessee came to be processed and assessment came to be completed us.143(3) of the Act, in which an addition of Rs.1,00,000/- has been made in respect of advertisement charges paid to sister concern. It was the submission that the Assessing Officer had

disallowed the same on the ground that it was not for business activity. It was the submission that the assessee is not pressing this ground. In view of above, this ground is dismissed.

4. In regard to next issue, it was the submission that this was against the action of the Assessing Officer in making disallowance under the provisions of section 40(a)(ia) of the Act in respect of non-deduction of TDS u/s.194-I of the Act on rent paid of Rs.2,40,000/-. It was the submission that the assessment year involved is 2012-13 and in view of the fact that the amendment made by the Finance Act (2) to section 40(a)(ia) of the Act, which stood as on date, the disallowance is liable to restricted to 30%. For this proposition, Id AR relied on the following decisions:

1. M/s. R.H. International vs ITO (ita No.6724/Del/2018) order dated 20.3.2019
2. Smt. Kanta Yadav vs ITO in ITA No.6312/Del/2016 dated 12.5.2017.

5. We have considered the rival submissions. As the provisions of section 40(a)(ia) of the Act for the impugned assessment year, the disallowance is restricted to 30% on the addition on account of non-deduction u/s.194-I stands restricted on rent paid of Rs.2,40,000/-. This ground is partly allowed.

6. It was the further submission that there are other additions i.e. fuel & maintenance expenses, repair & maintenance expenses, telephone, internet, travelling & conveyance expenses and business promotion expenses. It was the submission that all the disallowances were made on adhoc basis. It was the submission that adhoc disallowance is not permissible under the income tax Act.

7. In reply, Id Sr DR supported the orders of lower authorities.

8. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that the said expenses have been disallowed on adhoc basis. The books of account have not been rejected, nor any specific defects in the bills and vouchers have been recorded by the Assessing Officer. This being so, as adhoc disallowance is not permissible under the Income Tax Act, the addition made by the AO and confirmed by the Id CIT(A) in respect of adhoc disallowances stands deleted.

9. In the result, appeal of the assessee stands partly allowed.

Order dictated and pronounced in the open court on 3/12/2025.

Sd/-

(राजेश कुमार)

(RAJESH KUMAR)

लेखा सदस्य/ **ACCOUNTANT MEMBER**

Sd/-

(जार्ज माथन)

(GEORGE MATHAN)

न्यायिक सदस्य / **JUDICIAL MEMBER**

दिनांक Dated 3/12/2025

B.K.Parida, Sr.P.S(OS)

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. Smart Lifestyle Multitrade Pvt Ltd., B/190, BDA Housing Colony, Baramunda, Bhubaneswar
2. प्रत्यर्थी / The Respondent- ITO, Ward 1(4), Bhubaneswar
3. आयकर आयुक्त(अपील) / The JCIT(A),-3, Chennai
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Assistant Registrar)

आयकर अपीलीय अधिकरण, कटक/ITAT,
Cuttack