

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**"C" BENCH, CHENNAI**

श्री चंद्र पूजारी, लेखा सदस्य एवं  
श्री चल्ला नागेन्द्र प्रसाद, न्यायिक सदस्य के समक्ष  
BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER &  
SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER  
आयकर अपील सं./ **I.T.A. No.99/Mds/2015**  
(निर्धारण वर्ष / Assessment Year : 2009-2010)

Shri. M. Selvaraju,  
Prop:RMS Transports,  
D.No.3/148-D, Trichy Road,  
Namakkal Town,  
Namakkal Dist. 637 001.

The Income Tax Officer,  
Vs Ward I (2),  
Namakkal.

[PAN:AGQPS 1175G]  
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri. T.S. Lakshmi Venkataraman, C.A.  
प्रत्यर्थी की ओर से / Respondent by : Shri. A.V. Sreekanth, IRS, JCIT.

सुनवाई की तारीख/Date of hearing : 15.04.2015  
घोषणा की तारीख /Date of Pronouncement : 15.04.2015

**आदेश / O R D E R**

**PER CHANDRA POOJARI, ACCOUNTANT MEMBER**

This appeal filed by assessee is directed against the order of  
the Commissioner of Income Tax (Appeals), Salem, dated 31.10.2014  
for the assessment year 2009-2010.

2. The first ground in this appeal is with regard to sustaining an addition of ₹3,54,126/- towards difference in cost of construction of residential building. The facts of the issue are that the above addition of ₹3,54,126/- has been made in respect of difference between the DVO's valuation report and cost admitted by the assessee in his regular books of accounts. The assessee admitted the cost of construction at ₹1,43,25,000/- as against the DVO's valuation at ₹1,46,79,126/-. The difference was worked out at ₹3,54,126/- and the same was added by the Assessing Officer. Aggrieved, the assessee preferred an appeal before the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) has confirmed the order of the Assessing Officer. Against this, the assessee is in appeal before us

3. We have heard both the parties and perused the material on record. In this case, the difference is worked out at less than 3% of the cost admitted by the assessee. This kind of marginal difference is to be there when we compare the DVO report with the books of accounts of the assessee. In our opinion, the report of the DVO is not a conclusive evidence and it is only an opinion and it cannot ascertain exact amount incurred by the assessee on construction. Hence, considering the facts and circumstances of the case, in our opinion, it

is not appropriate to sustain this kind of addition which is very nominal. Accordingly, the addition is deleted.

4. The next ground is with regard to sustaining an addition of ₹2,00,000/- under the head spares and workshop expenses. The facts of the issue are that the above disallowance has been made on an estimated basis on the ground that some of the vouchers are self made. According to the Id. Authorised Representative, the Assessing Officer has not pin pointed the defects in the self made vouchers or books of accounts, therefore, the said addition is to be deleted. The Id. Departmental Representative relied on the order of the Commissioner of Income Tax (Appeals).

5. We have heard both the parties and perused the material on record. In this case, it is not disputed that the expenditure incurred are supported by self-made vouchers. In such circumstances, inflating of expenditure by assessee cannot be ruled out. Hence, we direct the Assessing Officer to disallow only 10% of the expenses covered by self made vouchers. This ground is partly allowed.

6. The last ground in this appeal is with regard to charging of interest u/s.234D of the I.T. Act. This is a consequential and

mandatory in nature and to be computed in accordance with law, while passing giving effect order by the Assessing Officer.

7. In result, the appeal by the assessee in ITA No.99/Mds/2015 is partly allowed.

Order pronounced in the open court at the time of hearing on Wednesday, the 15<sup>th</sup> day of April, 2015 at Chennai.

Sd/-

(चल्ला नागेन्द्र प्रसाद )

(CHALLA NAGENDRA PRASAD)

न्यायिक सदस्य/ JUDICIAL MEMBER

चेन्नई/Chennai.

दिनांक/Dated:15.04.2015.

**KV**

आदेश की प्रतिलिपि अग्रेषित/Copy to: 1. अपीलार्थी/Appellant 2.प्रत्यर्थी/ Respondent 3. आयकर आयुक्त (अपील)/CIT(A) 4. आयकर आयुक्त/CIT 5. विभागीय प्रतिनिधि/DR 6. गार्ड फाईल/GF.

Sd/-

(चंद्र पूजारी )

(CHANDRA POOJARI)

लेखा सदस्य/ ACCOUNTANT MEMBER