

IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA 'C' BENCH, KOLKATA
(Virtual Court)

(Before Sri J. Sudhakar Reddy, Accountant Member & S.S. Godara, Judicial Member)

I.T.A. No. 577/Kol/2019
Assessment Year: 2015-16

Urban Infraprojects Pvt. Ltd......*Appellant*
[PAN: AABCU 0276 G]

vs.

ACIT, Circle-6(2), Kolkata.....*Respondent*

Appearances by:

Sh. Manish Tiwari, FCA, appeared on behalf of the Assessee.

Smt. Ranu Biswas, Addl. CIT, appeared on behalf of the Revenue.

Date of concluding the hearing : August 13th, 2020

Date of pronouncing the order : August 19th, 2020

ORDER

Per J. Sudhakar Reddy, AM:

This appeal filed by the assessee is directed against the order of the Learned Commissioner of Income Tax (Appeals)-2, Kolkata, [hereinafter the "CIT(A)"], passed u/s. 250 of the Income Tax Act, 1961 (the 'Act'), dated 23.01.2019 for the Assessment Year 2015-16.

2. The sole ground of appeal is against the ad-hoc disallowance of 10% of operating and other expenses made by the AO. The assessee's contention is that the AO, without pointing out any specific defects has disallowed an amount of 23,07,536/-. He relies on the jurisdictional High Court's decision for the proposition that such ad-hoc disallowance cannot be permitted.

3. The ld. DR submitted that the assessee is in the business of civil construction and the AO recorded at para 4 of the order that the portion of the bills consist of self made debit vouchers, which are not verifiable. He relied on the order of the AO as well as the ld. CIT(A).

4. After hearing rival contentions, we find part justification in the order of the AO. We find that the AO has recorded that the portions of the bills of self made debit

vouchers which are not verifiable. Anyhow disallowing 10% of the expenditure on the ground that profit leakage has to be plugged cannot be supported. Keeping in view the facts and circumstances of the case, some disallowance of a random amount of 5 lakhs, in our view, would meet the end of justice.

5. In the result, the balance disallowance is deleted and the appeal of the assessee is allowed in part.

Kolkata, the 19th August, 2020.

Sd/-
[S.S. Godara]
Judicial Member

Dated: 19.08.2020
Bidhan

Sd/-
[J. Sudhakar Reddy]
Accountant Member

Copy of the order forwarded to:

1. ***Urban Infraprojects Pvt. Ltd., 1st Floor, Room No. 8, 23A, Netaji Subhas Road, Kolkata-700 001.***
2. ***ACIT, Circle-6(2), Kolkata.***
3. CIT(A)-2, Kolkata. (sent through mail)
4. CIT-
5. CIT(DR), Kolkata Benches, Kolkata. (sent through mail)

True copy

By order

Assistant Registrar
ITAT, Kolkata Benches