

आयकर अपीलीय अधिकरण "ए" न्यायपीठ पुणे में ।  
IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, PUNE

BEFORE SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER  
AND  
SHRI G.D. PADMAHSHALI, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.183/PUN/2023  
निर्धारण वर्ष / Assessment Year : 2015-16

Garve Motors Private Limited,  
S. No. 136/2A, 4/6  
Mumbai Pune Bypass Highway,  
Wakad, Pune – 411027

PAN : AADCG4391A

.....अपीलार्थी / Appellant

बनाम / V/s.

DCIT, Circle -1(1),  
Pune

.....प्रत्यर्थी / Respondent

Assessee by : Smt. Deepa Khare  
Revenue by : Shri Ramnath P. Murkunde

सुनवाई की तारीख / Date of Hearing : 24-05-2023

घोषणा की तारीख / Date of Pronouncement : 30-05-2023

**आदेश / ORDER**

**PER S.S. VISWANETHRA RAVI, JM :**

This appeal by the assessee against the order dated 10-01-2023 passed by the National Faceless Appeal Centre, Delhi ("NFAC") for assessment year 2-15-16.

2. The sole ground raised by the assessee challenging the action of CIT(A) in restricting the addition to an extent of Rs.9,62,904/- as against

Rs.12,03,630/- disallowance made by the AO on account of other expenses in the facts and circumstances of the case.

3. At the outset, we note that the assessee is a private limited company which is authorized dealer of Hyundai Cars. The assessee claimed deduction of expenses under the head "Other Expenses", the details of which reproduced by the AO in his order at page No. 2. On perusal of same, we note that the AO asked the assessee to furnish evidences in support of claim of the said expenses. The AO held that the explanation and documents filed by the assessee, on verification, that some of the vouchers are not supported by the evidences and are handmade. Accordingly, the AO disallowed 10% of such expenses. Having aggrieved with the order of AO, the assessee questioned the said ad-hoc disallowance before the CIT(A) in NFAC, Delhi. The CIT(A), NFAC, Delhi discussed the issue in para No. 5.1 of the impugned order and restricted the said addition to 8% to meet the ends of justice by holding the view of AO is correct.

4. The ld. AR, Smt. Deepa Khare before us vehemently argued that the AO did not comment about the genuineness of the expenditure but only doubted that some of the vouchers by holding they are handmade. She submits that the assessee cannot submit the supporting evidences for every expenditure incurred during the course of business for which the assessee made such vouchers on its own. She argued without there being any adverse reference by the AO with regard to genuineness of expenses, the addition made on ad-hoc basis is not maintainable and prayed to delete the same.

5. The ld. DR, Shri Ramnath P. Murkude vehemently supported the order of both the authorities below and submits that the assessee failed to furnish evidences in support of expenditure incurred.

6. We note that, admittedly, the AO made no adverse reference to the expenditure incurred by the assessee and no comment stating that the said expenditure was not incurred for the assessee's business. The only remark made by the AO is that no evidences were furnished by the assessee in respect of some of the vouchers which are handmade and doubting the same disallowed on ad-hoc basis. Even before us, the assessee could not submit any of the said vouchers which are doubted by the AO and the CIT(A), NFAC, Delhi for our examination. The ld. AR submitted her inability to produce the same as they were running into huge volumes of vouchers. Therefore, in the absence of such vouchers for our examination, we have no alternative except to concur with the finding of authorities below, but however, having not doubted about the genuineness of the expenditure by both the authorities below, in the interest of justice, we restrict the said disallowance to 5% of Rs.1,20,36,301/-. Therefore, the order of CIT(A), NFAC, Delhi is set aside. The AO is directed to restrict the disallowance to 5%. Thus, the sole ground raised by the assessee is partly allowed.

7. In the result, the appeal of assessee is partly allowed.

Order pronounced in the open court on 30<sup>th</sup> May, 2023.

Sd/-  
(G.D. Padmahshali)  
ACCOUNTANT MEMBER

Sd/-  
(S.S. Viswanethra Ravi)  
JUDICIAL MEMBER

पुणे / Pune; दिनांक / Dated : 30<sup>th</sup> May, 2023.

रवि

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The concerned CIT, Pune.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "ए" बेंच, पुणे / DR, ITAT, "A" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

//सत्यापित प्रति// True Copy//

आदेशानुसार / BY ORDER,

वरिष्ठ निजी सचिव / Sr. Private Secretary  
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune