



26/03/2014

INCOMETAX DEPARTMENT
PROCEEDINGS OF THE ASSISTANT COMMISSIONER OF INCOME-TAX,
Circle-10(1), 5th Floor, IT Towers, AC Guards, Hyderabad

- | | | |
|--|---|---|
| 1. Name & Address of the assessee | : | M/s. Modi Ventures,
5-4-187/3 7 4, 3 rd Floor, Soham Mansion,
M G Road, Secunderabad |
| 2. PAN | : | AAJFM0646D |
| 3. Status | : | Firm |
| 4. Assessment Year | : | 2011-12 |
| 5. Previous year | : | 2010-11 |
| 6. Residential Status | : | Resident |
| 7. Nature of Business | : | Builders and Developers |
| 8. Method of accounting | : | Mercantile |
| 9. Date(s) of hearing | : | As per order sheets |
| 10. Section & sub-section under which assessment is made | : | 143(3) of the Income-tax Act, 1961 |
| 11. Date of order | : | 15.03.2014 |

ASSESSMENT ORDER

The assessee-firm filed its return of income on 26.09.2011, declaring total income of Rs.53,41,591/-. The case was taken up for scrutiny by issue of notice u/s. 143(2) on 25.09.2012. In response to the notices issued, the A.R of the assessee, Sri Ajay Mehta, FCA, attended with details called for from time to time, produced the books of accounts and the case was discussed with him.

2. The assessee is engaged in the business of real estate development. A perusal of the details of outstanding expenses shows that assessee has claimed bonus payable at Rs.80,766/- as on 31.03.2011. The details were called for. Assessee submitted that the same has not been paid before filing the return. Therefore, the sum of **Rs.80,766/-** is disallowed u/s 43B and added to the income of the assessee for which assessee has no objection.

3. It is seen from the P&L A/c that assessee has debited a sum of Rs.2,48,407/- towards brokerage expenses, Rs.4,98,883/- towards staff maintenance expenses, Rs.5,91,320/- towards advertisement expenses, Rs.1,07,584/- towards petrol expenses, Rs.72,963/- towards office expenses besides other expenses. These expenses were put to test check along with books of accounts, bills & vouchers. It is noticed that these expenses are on self made vouchers on many instances, which are not open to verification. The self made vouchers cannot be construed as an independent evidence for allowability of the claim in toto.

The assessee contended that these are genuine expenses incidental to running the business. Keeping in view the nature of business and the contentions of the assessee, 10% of these expenses which comes to **Rs.2,27,874/-** is disallowed and added to the total income of the assessee for which the assessee has no objection.


4. Accordingly, the total income of the assessee is computed as under:

Income shown in return		Rs.	53,41,591
Add: disallowances as discussed			
Expenses			2,27,874
Bonus expenses			<u>80,766</u>
(or) Total Income assessed		Rs.	56,50,231
		Rs.	56,50,230
Tax thereon	Rs.	16,95,069	
Add: Education cess		<u>50,852</u>	
Total	Rs.	17,45,921	
Add: Interest u/s 234B		1,34,952	
Interest u/s 234C		<u>60,989</u>	
Total		19,41,862	
Less: Taxes paid		<u>18,10,442</u>	
Tax payable	Rs.	1,31,420	

Notice of demand u/s. 156 is enclosed.

Copy to the assessee




(N. SRIKANTH)
Asst. Commissioner of Income-tax
Circle -10(1), Hyderabad.

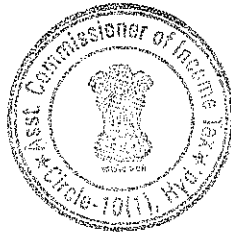
Notice of Demand under section 156 of the Income-tax Act, 1961PAN : AAJFM0646D
Status: Firm

To

The Managing Partner,
M/s. Modi Ventures,
5-4-187/3 7 4, 3rd Floor, Soham Mansion,
M G Road, Secunderabad

Sir,

1. This is to give you notice that for the A.Y. 2011-12 a sum of **Rs.1,31,420/-** details of which are given on the reverse, has been determined to be payable by you.
2. The amount should be paid to the Manager, authorized bank/State Bank of India, Reserve Bank of India at Hyderabad within **Thirty Days** of the service of this notice. The previous approval of the Deputy Commissioner of Income-Tax has been obtained for allowing a period of less than 30 days for the payment of the above sum. A challan is enclosed for the purpose of payment.
3. If you do not pay the amount within the period specified above, you shall be liable to pay simple interest at one per cent for every month or part of a month from the date commencing after end of the period aforesaid in accordance with Section 220(2)
4. If you do not pay the amount of the tax within the period specified above, penalty (which may be as much as the amount of tax in arrear) may be imposed upon you after giving you a reasonable opportunity of being heard in accordance with Section 221.
5. If you do not pay the amount within the period specified above, proceedings for the recovery thereof will be taken in accordance with Sections 222 to 229, 231 and 232 of the Income-tax Act, 1961.
6. If you intend to appeal against the assessment/fine/penalty, you may present an appeal under Part A of Chapter XX of the Income-tax Act, 1961, to the **Commissioner of Income-tax (Appeals)-VI, Hyderabad** within thirty days of the receipt of this notice, in Form No.35, duly stamped and verified as laid down in that form.
- ~~7. The amount has become due as a result of the Deputy Commissioner (Appeals) of Income-tax/Deputy Commissioner of Income-tax/Commissioner of Income-tax (Appeals)/Chief Commissioner or Commissioner of Income tax _____ Under section _____ of the income tax Act, 1961. If you intend to appeal against the aforesaid order, you may present an appeal under part B of Chapter XX of the said Act to _____ the _____ Income-tax _____ Appellate _____ Tribunal _____ within sixty days of the receipt of that order, in Form No.36, duly stamped and verified as laid down in that form.~~

Place: Hyderabad
Date : 15.03.14

(N. SRIKANTH)
Asst. Commissioner of Income-tax
Circle-10(1), Hyderabad

NOTES:

1. Delete inappropriate paragraphs and words.
2. If you wish to pay the amount by cheque, the cheque should be drawn in favour of the Manager, authorized bank/ State Bank of India/ Reserve Bank of India.
3. If you intend to seek extension of time for payment of the or propose to make the payment by installments, the application for such extension, or as the case may be, permission to pay by installments, should be made to the Assessing Officer before the expiry of the period specified in paragraph 2. Any request received after the expiry of the said period will not be entertained in view of the specific provisions of section 220(3).

100

100

100

100

100