

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "F": NEW DELHI**

**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER
AND
SHRI PRADIP KUMAR KEDIA, ACCOUNTANT MEMBER**

**ITA No. 3929/DEL/2018
Assessment Year: 2012-13**

Paramount Impex Pvt. Ltd., 312, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi. PAN- AAACP7279B	<u>Vs</u>	DCIT, Circle-19(2), New Delhi.
APPELLANT		RESPONDENT
Assessee represented by	None	
Department represented by	Sh. T. Kipgen, CIT DR	
Date of hearing	15.05.2023	
Date of pronouncement	19.05.2023	

ORDER

PER KUL BHARAT, JM:

This appeal, by the assessee, is directed against the order of the learned Commissioner of Income-tax (Appeals)-7, New Delhi, dated 16.03.2018, pertaining to the assessment year 2012-13. The assessee has raised following grounds of appeal:

- “1. That the impugned order is factually wrong and legally bad.*
- 2. That on the facts and in the circumstances of the case the*

Learned Commissioner of Income Tax (Appeals) has wrongly confirmed the addition of Rs 7681762.00 P made by the Learned Assessing Officer despite verification of the expenses involved by the Learned Assessing Officer as confirmed in his remand report. The same may kindly be deleted.

3. That the Appellant craves for the permission to add/modify/amend the grounds of appeal before the appeal is heard & disposed.”

2. Facts of the case, in brief, are that for A.Y. 2012-13 the assessee filed its return of income on 28.09.2012, declaring total income at Rs. 34,33,630/-. The AO completed the assessment u/s 143(3)/144 of the Income-tax Act, 1961 (the “Act”). During assessment proceedings, the Assessing Officer observing that the expenses claimed by the assessee at Rs. 3,47,63,538/- and interest expenses at Rs. 1,76,74,456/- as against the gross turnover of Rs. 24,28,00.770/- were not verifiable from the books of account maintained by the assessee, rejected the book results shown by the assessee and estimated the profit of the assessee company at 5% of the gross receipts of Rs. 1,21,40,039/- as against the net profit shown by the assessee at Rs. 44,58,277/-. He therefore, made an addition of Rs. 76,81,762/- on this count to the returned income. The AO also made disallowance of Rs. 11,64,677/- u/s 14A of the Act. In appeal the learned CIT(Appeals) deleted the disallowance made u/s 14A of the Act. He, however, sustained the addition of Rs.

76,81,762/- made by the AO. Aggrieved, the assessee is in appeal before this Tribunal.

3. At the time of hearing no one attended the proceedings on behalf of the assessee. From the record it reveals that no one is attending the proceedings on behalf of the assessee since 2.8.2021. Notices of hearing sent through speed post at the address furnished by the assessee in form no. 36 have returned unserved by the postal authorities. The assessee has not provided its current address. Under these facts, appeal is taken up for hearing in the absence of the assessee and is being decided on the basis of material available on record.

4. The learned CIT(DR) supported the orders of the authorities below and submitted that the assessee has been negligent throughout for not representing its case before the authorities below. Even before the Tribunal there is no representation on behalf of the assessee. Further, there is no rebuttal of the finding of the AO.

5. We have heard learned DR and perused the material available on record. We find that the assessing Officer has given a finding of fact by observing as under:

“3. From the information available with us and while comparing data from the immediate previous year it has been seen that there have been large variations in the expenses claimed by the assessee. Further, the assessee has not complied with the notices and no documents have been filed otherwise, the only alternative is to estimate the profit of the assessee

company on the basis of best judgment. On verification of data of the available it was found that there has been declined in gross profit ratio from 15.82% in F.Y.2010-11 to 14.69% in F.Y.2011-12. Whereas, there has been increase in cost of material consumed to 62.17% in F.Y.2011-12 from 60.35% in F.Y. 2010-11. There has been increase in foreign travel expenses of Rs.15,77,099/- when compared to F.Y.2010-11 foreign travel expenses of Rs.4,23,669/-. Further, the assessee company has not replied to the questionnaire dated 13.10.2014, hence it was not possible to justify payments made u/s 40A(2)(b), allowance of expenses on which no TD5 has been deducted.

In absence of verification of bills, vouchers, ledgers books of account, the book result declared by the assessee cannot be accepted. Therefore, the same is rejected u/s 145(5) of the I.T. Act. As regards the net profit declared by the assessee at Rs.44,58,277/- against gross turnover of Rs.24,28,00,770/- and considering the Gross turnover of the assessee, extent of other expenses claimed by the assessee at Rs.3,47,63,538/- and interest expenses at Rs.1,76,74,456/- which are not subject to verification, the profit of the assessee company is estimated at 5% of the gross receipts of Rs.24,28,00,770/- which works out to Rs.1,21,40,039/- as against the net profit shown by the assessee at Rs.44,58,277/-. Therefore, an addition of Rs.76,81,762/- (1,21,40,039 - 44,58,277) is made to the income declared by the assessee.”

6. The learned CIT(Appeals) affirmed the finding of AO by holding as under:

“6.3. I have carefully considered the assessment order, written submission of the appellant as well as the Remand Reports of the AO. In the absence of any submissions or evidence and complete non compliance by the appellant, the findings of the AO do not get rebutted. Sufficient numbers of opportunities were given both at the assessment stage and at the appellate/Remand stage. However, the appellant could not avail the opportunities to submit the complete picture to substantiate the claims. This ground of appeal is not substantiated and is accordingly, rejected. This ground of appeal is ruled against the appellant.”

7. The assessee has not filed any material to rebut the findings of authorities below. Therefore, in the absence of any rebuttal, we do not see any reason to

interfere in the finding of the authorities below. The same is affirmed. Grounds raised by the assessee are dismissed.

8. Appeal of the assessee is dismissed.

Order pronounced in open court on 19th May, 2023.

Sd/-
(PRADIP KUMAR KEDIA)
ACCOUNTANT MEMBER

Sd/-
(KUL BHARAT)
JUDICIAL MEMBER

MP

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI