

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.1793/Chny/2024
निर्धारण वर्ष/Assessment Year: 2017-18

The Income Tax Officer,
Corporate Ward 3(1),
Chennai.

Vs. Tam World Travel Private Limited,
Flat No. 1, Ground Floor, 27/13,
Venkataraman Street, T. Nagar,
Chennai 600 017.

[PAN:AAECT5864C]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Ms. Gouthami Manivasagam, JCIT
प्रत्यर्थी की ओर से/Respondent by : None
सुनवाई की तारीख/ Date of hearing : 15.10.2024
घोषणा की तारीख /Date of Pronouncement : 23.10.2024

आदेश /O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the Revenue is directed against the order dated 03.05.2024 passed by the Id. Commissioner of Income Tax, National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2017-18.

2. We find no representation on behalf of the assessee nor any application filed seeking adjournment. Thus, the assessee-respondent called absent and set exparte. We proceed to decide the appeal after hearing the Id. DR basing on the material available on record.

3. The Revenue has raised 2 grounds of appeal amongst which the only issue emanates for our consideration is as to whether the Id. CIT(A) justified in restricting the disallowance at ₹.77,68,166/- against the disallowance of ₹.3,10,72,663/- made by the Assessing Officer in the facts and circumstances of the case.

4. At the outset, we note that the assessee is a company and filed revised return of income declaring NIL income. On an examination of the record, the Assessing officer asked the assessee to provide details of direct expenses amounting to ₹.3,10,72,663/-. According to the Assessing Officer, no reply was filed by the assessee and thus, the Assessing Officer proceeded to disallow the said expenses vide his order dated 13.12.2019 under section 143(3) of the Income Tax Act, 1961 ["Act" in short].

5. The Id. CIT(A) discussed the issue in detail. We find at para 7 of the impugned order that the Id. CIT(A) observed that the Assessing Officer disallowed the entire direct expenses without pointing out any deficiencies in the books of account under section 145 of the Act. Thus, the Id. CIT(A) restricted the disallowance at 25% of the total expenditure.

6. The Id. DR Ms. Gouthami Manivasagam, JCIT vehemently opposed the finding of the Id. CIT(A) in giving relief to the assessee. She argued that the Id. CIT(A) was not correct to give partial relief to the assessee when no

evidence furnished before both the authorities below. The Id. CIT(A) fell in error to hold that there was no deficiency as pointed out by the Assessing Officer in the assessment order with reference to the books of account under section 145 of the Act. She argued that the Id. CIT(A) failed to take note of the show-cause notice issued by the Assessing Officer, wherein, it was clearly stated that the expenses will be disallowed in case the assessee fails to submit any corroborative evidences.

7. Having considered the submissions of the Id. DR and that of the reasons stated by the Id. CIT(A) while restricting the addition at 25% of the direct expenses, we note that admittedly, there was no evidence furnished by the assessee before the Assessing Officer. The Id. DR could not rebut the finding of the Id. CIT(A) as to why in the absence of any evidence, the addition could be restricted on the basis of assumption. We note that the assessee made the breakup of creditors and submitted before the Id. CIT(A) in Form 35, wherein, we note that the assessee has given breakup of submissions of disallowance of direct expenses. We note that the Id. CIT(A) while restricting the disallowance at 25%, taken into note all the submissions into consideration. The Id. DR could not rebut any evidence with regard to the submissions of the assessee before the first appellate authority. Therefore, we find no infirmity in the order of the Id. CIT(A) in restricting the addition to an extent of ₹.77,68,166/- as against the disallowance of

₹.3,10,72,663/- and it is justified. Thus, the grounds raised by the Revenue are dismissed.

8. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced on 23rd October, 2024 at Chennai.

Sd/-
(S.R. RAGHUNATHA)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 23.10.2024

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.