

आयकर अपीलीय अधिकरण  
दिल्ली पीठ "एस एम सी", दिल्ली  
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "SMC", DELHI  
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

आअसं.3539/दिल्ली/2024 (नि.व. 2017-18)  
ITA No.3539/DEL/2024 (A.Y.2017-18)

Headstrong Ventures,  
B-144, Ganesh Nagar, Delhi 110018

PAN: AAIFH-7967-H

..... अपीलार्थी/Appellant

बनाम Vs.

Income Tax Officer, Ward-45(1),  
Civic Centre, Minto Road, Delhi 110002

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by : None

प्रतिवादीद्वारा/ Respondent by : Shri Sanjay Kumar, Sr. DR

सुनवाई की तिथि/ Date of hearing : 04.02.2025

घोषणा की तिथि/ Date of pronouncement: : 12.02.2025

आदेश/ORDER

**PER VIKAS AWASTHY, JM:**

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (hereinafter referred to as 'the CIT(A)') dated 07.06.2024, for assessment year 2017-18.

2. The brief of facts of the case as emanating from records are: The assessee is a partnership firm. On the basis of information received on NMS portal of the Department, the assessee had received aggregate amount of Rs.1,18,05,785/- from various parties towards commission/brokerage, fees for professional/technical services and contractual receipts. Whereas, no return of income was filed by the assessee for assessment year 2017-18. Consequently, notice u/s. 148 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') was issued to the assessee on

30.03.2021. In response to said notice, the assessee on 15.03.2022 filed its return of income declaring total income of Rs.24,110/-. Thereafter, the AO issued notice u/s. 142(1) of the Act to the assessee on 28.11.2021 and 23.02.2022. The assessee did not respond to any of the abovementioned notices. Thereafter, show cause notice was issued to the assessee by Assessing Officer (AO) on 07.03.2022. In response to the show cause notice, the assessee filed reply on 15.03.2022. Since, the assessee had failed to furnish vital documents viz. Tax Audit Report, Profit & Loss Account, etc, the AO made ad-hoc disallowance of 25% of aggregate expenses, i.e. Rs.30,45,150/- were added back.

The assessee carried the issue in appeal before the CIT(A). The assessee submitted that the assessee had furnished copy of bank statement, computation of income, financial statement, audited balance sheet and Form 26AS before the AO. However, without affording proper opportunity of hearing the AO made disallowance of 25% of aggregate expenses. Considering, submissions made by assessee, the CIT(A) restricted disallowance to 15% of the turnover and made addition of Rs.18,27,088/-. Still not satisfied with the relief allowed by the CIT(A), the assessee is in appeal before the Tribunal.

3. One of the ground raised by the assessee in appeal before the Tribunal is that the CIT(A) in ex-parte order, without affording adequate opportunity of hearing has decided appeal of the assessee. I find that the CIT(A) had issued notice to the assessee on 15.03.2024. In response to said notice assessee filed reply on 31.03.2024. The CIT(A) after considering submissions of the assessee granted part relief to the assessee. Hence, contentions raised by the assessee in ground no. 2 of appeal are without any merit, hence, dismissed. In ground no. 3 to 8 of appeal, the assessee has assailed addition made by AO invoking provisions of section 144 of the

Act and disallowance made by the AO/CIT(A) on ad-hoc basis. Considering entire facts of the case, I find that since the assessee had failed to produce relevant documents to substantiate his contentions, the AO/CIT(A) had no other option but to estimate the expenditure. The assessee has not furnished any documentary evidences to substantiate the expenditure. I find that disallowance made by the CIT(A) and AO on estimation is on higher side. In my considered view restricting disallowance to 10% of the turnover would be fair and reasonable.

4. In the result, appeal of the assessee is partly allowed, in the terms aforesaid.

Order pronounced in the open court on Wednesday the 12<sup>th</sup> day of February, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 12.02.2025

NV/-

**प्रतिलिपि अग्रेषित** **Copy of the Order forwarded to :**

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Dy./Asstt. Registrar) ITAT, DELHI