

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
'B' BENCH: CHENNAI**

श्री एबी टी. वर्की, न्यायिक सदस्य एवं  
श्री जगदीश, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND  
SHRI JAGADISH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.3231/Chny/2024  
निर्धारणवर्ष/Assessment Year: 2018-19

Sapthagiri Bankers, 118-A, New Trichy Branch Road, Linemedu, Salem-636 006.	v.	The ITO, Ward-1(1), Salem.
[PAN: AAABS 2142 M]		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Mr.S. Bhupendran, Advocate
प्रत्यर्थी की ओर से /Respondent by	:	Ms.Gouthami Manivasagam, JCIT
सुनवाईकीतारीख/Date of Hearing	:	05.03.2025
घोषणाकीतारीख /Date of Pronouncement	:	29.04.2025

**आदेश / ORDER**

**PER ABY T. VARKEY, JM:**

This is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter referred to as "the Ld.CIT(A)"), Delhi, dated 22.11.2024 for the Assessment Year (hereinafter referred to as "AY") 2018-19.

2. The brief facts are that the assessee had filed return of income (RoI) for AY 2018-19 on 03.09.2018 declaring total income at



:: 2 ::

Rs.1,37,750/-. Later, the RoI was selected for complete scrutiny and the AO made the following additions:

- i. Commission expenses to the tune of Rs.25 lakhs
- ii. Salary expenses to the tune of Rs.5,23,700/-
- iii. Advertisement expenses to the tune of Rs.1,50,975/-

Thus, assessed the total taxable income at Rs.33,12,425/- in place of returned income of Rs.1,37,750/-.

**3.** Aggrieved, the assessee preferred an appeal before the Ld.CIT(A) who was pleased to confirm the action of the AO in respect of the addition on commission expenses of Rs.25 lakhs and disallowance of salary expenses of Rs.5,23,700/- and allowed the advertisement expenses of Rs.5,03,250/-.

**4.** Still not satisfied, the assessee is in appeal before this Tribunal.

**5.** The Ld.AR assailing the action of the Ld.CIT(A) submitted that the AO during the course of assessment proceedings, had disallowed Rs.25 lakhs towards commission expenses incurred by the assessee by comparing the commission expenses for the earlier year and subsequent year by wrongly observing that for AY 2019-20, the assessee had incurred only commission expenses of Rs.21,500/- whereas the assessee has incurred expenses of Rs.15,21,500/-. In this context, the Ld.AR drew our attention to the page one of the assessment order, especially to the Item No.11 of the caption, wherein the date(s) of issue of notice(s) u/s.142(1)



:: 3 ::

of the Act are given and from perusal of it, reveals that other than notice issued on 05.02.2020, all other notices i.e. dated 13.03.2020, 03.02.2021 & 04.03.2021 were issued during the Covid-19 pandemic. Therefore, it was pleaded that assessee couldn't produce the relevant documents to substantiate the claim in respect of incurring the commission expenses. According to the Ld.AR, even though the assessee uploaded the relevant evidences in the e-portal during the appellate proceedings, the Ld.CIT(A) has wrongly stated that the assessee has not filed any supporting evidences to prove the genuineness of the commission expenses. Likewise, according to the Ld.AR, the disallowance on account of salary expenses to the tune of Rs.5,23,700/- given to '18' employees during the relevant assessment year under consideration was made in absence of necessary details. Thus, according to the assessee, during the Covid-19 pandemic, assessee couldn't file relevant documents before the AO and due to technical glitches, the Ld.CIT(A) also alleged that assessee didn't file any supporting documents and therefore, according to the Ld.AR, the Ld.CIT(A) erred in confirming both the disallowances. Before us, the Ld.AR has filed an application for admission of additional evidences in support of both claims and prayed that it may be admitted.

**6.** Per contra, the Ld.DR doesn't want us to admit the additional evidences since it has not been looked into by the AO/Ld.CIT(A).



:: 4 ::

**7.** We have heard both the parties and perused the material available on record. We note that the assessee's RoI has been selected for scrutiny and the AO had issued notices u/s.142(1) of the Act on 05.02.2020, 13.03.2021 & 04.03.2021 and thereafter finding that the assessee couldn't produce the relevant documents, had *inter alia* disallowed the commission expenses claimed by the assessee to the tune of Rs.25 lakhs as well as, the salary expenses to the tune of Rs.5,23,700/-. On appeal, the Ld.CIT(A) has confirmed the action of the AO since the assessee couldn't file the relevant documents in support of its claim of expenditure. Before us, it has been shown that the assessee wasn't able to file the relevant documents because assessment proceedings was during the Covid-19 pandemic; and it is further noted that during the appellate proceedings, the assessee had uploaded the relevant evidences in support of its claim of expenditure, but due to technical glitches, the Ld.CIT(A) couldn't access it and therefore, he confirmed both the disallowances. Be that as it may, before us, the assessee has filed an application for admission of additional evidences in support of both the claims, but since both authorities below couldn't examine it, for the interest of justice and fair play, we set aside the impugned order of the Ld.CIT(A) and restore these two issues back to the file of the JAO for the limited purpose of verifying the evidence in support of expenses incurred for paying commission to the tune of Rs.25 lakhs and salary expenses of



ITA No.3231/Chny/2024 (AY 2018-19)  
Sapthagiri Bankers

:: 5 ::

Rs.5,23,700/-. The assessee is directed to be diligent and file the relevant evidences before the AO, after hearing the assessee, the JAO to pass orders in accordance to law.

8. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on the 29<sup>th</sup> day of April, 2025, in Chennai.

**Sd/-**

(जगदीश)

**(JAGADISH)**

लेखा सदस्य/**ACCOUNTANT MEMBER**

**Sd/-**

(एबी टी. वर्की)

**(ABY T. VARKEY)**

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 29<sup>th</sup> April, 2025.

**TLN**

आदेश की प्रतिलिपि अग्रेषित /Copy to:

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