

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri Amitabh Shukla, Accountant Member

आयकर अपील सं./I.T.A. No.1299/Chny/2025
निर्धारण वर्ष/Assessment Year: 2013-14

Krishnavel Umamaheswari,
10E, Nallamadan Koil Lane,
North Masi Street, Madurai 625 001.

Vs. The Assistant Commissioner of
Income Tax,
Non Corporate Circle 1,
Madurai.

[PAN:AAOPU8528K]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : None
प्रत्यर्थी की ओर से/Respondent by : Ms. V. Supraja, Addl.CIT
सुनवाई की तारीख/ Date of hearing : 16.07.2025
घोषणा की तारीख /Date of Pronouncement : 30.07.2025

आदेश / O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order dated 05.03.2025 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2013-14.

2. The assessee raised 2 grounds of appeal amongst which, the only issue emanates for our consideration as to whether the Id. CIT(A)

is justified in dismissing the appeal exparte of the assessee in the facts and circumstances of the case.

3. Brief facts emanating from record are that as per information available with the Department, the Assessing Officer noted that the assessee earned various income and not filed income tax return under section 139 of the Income Tax Act, 1961 ["Act" in short]. Accordingly, the Assessing Officer issued notice under section 148 of the Act. In response to the above notice, the assessee filed income tax return on 29.04.2021 declaring total income of ₹.14,46,980/-. Against statutory notices under section 143(2) and 142(1) of the Act, the assessee filed requisite details/documents/information as called for. The Assessing Officer examined the details furnished by the assessee and assessed total income at ₹.29,87,835/- after making various additions and completed the assessment under section 147 r.w.s. 144B of the Act dated 28.03.2022. Against the additions made in the assessment order, the assessee preferred further appeal before the Id. CIT(A). The Id. CIT(A) upheld the additions made by the Assessing Officer since there was no compliance to hearing notices issued by the Id. CIT(A) or filed a written submissions in support of the grounds raised by the

assessee. On being aggrieved, the assessee is in appeal before the Tribunal.

4. When the appeal was taken up for hearing, non appeared on behalf of the assessee nor filed any adjournment petition. On perusal of the records, we note that the hearing notice has been duly served on the assessee as the AD card is duly placed on record. Hence, the assessee is called *exparte* and proceeds to decide the appeal on merits after hearing the Id. DR.

5. Having heard the Id. DR, we note that as per the Profit & Loss account, the Assessing Officer noted that the assessee received taxi hire charges of ₹. 15,73,943/-. Since, the insurance commission receipts of ₹. 8,14,159/- included in Profit & Loss account nowhere related to the business of Tours & Travels, the Assessing Officer considered it separately for taxation. As per nature of business, the profit rate is being estimated @20% and hence estimated profit comes to ₹. 3,14,789/- which is being added to the income of the assessee.

6. The Assessing Officer noted that the assessee has receipt of ₹. 8,14,159/- as insurance commission on which TDS under section 194D of the Act has been deducted. From the replies of the assessee, the

Assessing Officer observed that assessee was working as a commission agent for various insurance companies like Star Health, Reliance Gen Insurance, etc. The assessee included these receipts in the business of Tour & Travels, which is not related to the business of the Tour & Travels. Accordingly, the income of the assessee being a commission agent of insurance companies and considering that the assessee incurred certain expenses being a commission agent, the Assessing Officer estimated the income at 60% of the receipts i.e. ₹. 4,88,495/- and added to the income of the assessee.

7. As per the Trading Account, the Assessing Officer noted that the assessee has net sale of ₹. 3,00,88,607/- on which he declared gross loss of ₹. 3,94,953/-. Further, as per profit and loss account, the Assessing Officer noted that the assessee has commission income of ₹. 33,97,594/- during the year on which TDS under section 194H of the Act has been deducted by the companies like Reliance Money, Matrix, A care, etc. The assessee declared net profit of ₹. 8,35,296/- (@ 24.5% approx.) after adjusting trading loss. As the receipts are mainly related to commission/brokerage, considering nature of business, the Assessing Officer estimated the profit rate @ 40% being ₹. 13,59,038/- and added to the income of the assessee.

8. As per the Trading Account, the Assessing Officer noted that the assessee has net sale of ₹. 54,20,898/- on which declared gross loss of ₹. 1,95,888/-. However, as per profit & loss account, the Assessing Officer noted that the assessee has commission income of ₹. 15,82,083/- on which assessee declared net profit of ₹. 8,25,513/- (@ 52% approx.) after adjusting trading loss, the Assessing Officer added the same to the total income of the assessee.

9. Upon perusal of page No. 4 of the assessment order, we note that the Assessing Officer rejected the financial statements/books of accounts submitted by the assessee during the course of assessment proceedings, which are inaccurate and incomplete. Moreover, we find that even though the assessee's gross turnover for the assessment year under consideration was ₹.3,00,88,607/- (in one of assessee's firm), which is way beyond the limit of ₹.1 crore, the assessee failed to get her books of accounts audited as per the provisions contained in section 44AB of the Act and submitted on or before the due date of filing of return of income under section 139 of the Act. Admittedly, in this case, the assessee has not filed her return of income under section 139 of the Act. Moreover, we note that the assessee has submitted an audit report dated 23.04.2021 for AY 2013-14, after the lapse of 7 years which should have been done

till the date of return filing for AY 2013-14. Therefore, the Assessing Officer rightly treated the audit report as invalid.

10. During the course of appellate proceedings, the Id. CIT(A) issued 3 notices of hearing. However, there was no compliance from the assessee by filing written submissions or any documentary evidence furnished in support of the grounds raised by the assessee. The Id. CIT(A) also noted that the assessee could not furnish audit report after getting the books of accounts audited as per the provisions contained in section 44AB of the Act and filed within the due date prescribed under the Act. The Id. CIT(A) observed that the Assessing Officer has estimated the profit for different lines of business as discussed in the assessment order and moreover, the assessee has not given any comparable industry cases with supporting documents where there is less profit; if at all the assessee want to argue on that line either before the Id. CIT(A) or even before the ITAT. Under the above facts and circumstances, the Id. CIT(A) has observed that the estimation of profits done by the Assessing Officer is reasonable and confirmed the additions made in the assessment order, is justified. Thus, we find no infirmity in the order passed by the Id. CIT(A) and accordingly, the grounds raised by the assessee are dismissed.

7. In the result, the appeal filed by the assessee is dismissed.

Order pronounced on 30th July, 2025 at Chennai.

Sd/-
(AMITABH SHUKLA)
ACCOUNTANT MEMBER

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

Chennai, Dated, 30.07.2025

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.