

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'A', NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE-PRESIDENT
&
MRS. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

ITA No. 6232/DEL/2025; Assessment Year: 2020-21

Shri Ashish Tyagi 703, Block 3 Eastend Apartment, Indirapuram Ghaziabad-201010 Uttar Pradesh	Vs	ITO Ward 2(1)(1)
(APPELLANT)		(RESPONDENT)
PAN No. AEWPJ3466K		

Assessee by : Shri Pancham Sethi, CA

Revenue by : Shri Ajay Kumar Arora, Sr. DR

Date of Hearing: 07.01.2026	Date of Pronouncement: 07.01.2026
-----------------------------	-----------------------------------

ORDER

PER RENU JAUHRI :

The above captioned appeal is preferred before the Tribunal by the assessee against the order dated 04.08.2025, passed by Ld. CIT(A)/NFAC, Delhi u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act") in Appeal No. NFAC/2019-20/10437668 for A.Y. 2020-21.

2. The Assessee has raised grounds of Appeal which are reproduced as below:

“ (A) That on the facts and circumstances of the case the order passed by the Ld. Commissioner of Income Tax (Appeal) is bad in the eye of law as it has been passed without giving a reasonable opportunity of being heard.

(B) *That the order u/s 147 r.w.s 144B of the Income-tax Act, 1961 (hereinafter referred to as the "Act") passed by Ld. Assessee unit of Income Tax Department (Hereinafter referred to as Assessing unit or AU) is bad in law as also on facts and deserves to be quashed.*

(C) *That On the facts and circumstances of the case as well as in law notice issued under section 148 is bad in law and the said notice is liable to be quashed as the condition and procedure prescribed under the statute have not been followed.*

(D) *That On the facts of the case as well as in law, approval granted under section 151 is invalid in as much as it is not signed by the appropriate authority, granted in mechanical manner and without application of mind thereby making the whole assessment proceedings void ab initio.*

(E) *On the facts and circumstances of the case, Ld. AU thoroughly went wrong on facts as well as on law in making ad hoc addition of Rs.16,32,996/- being 50% of the expenses to the income of assessee based on his own surmises and conjecture ignoring the fact that assessee has already disclosed the profit of more than 55% of gross receipts.*

(F) *That on the fact as well as in law Ld. Commissioner of Income Tax (Appeal) has grossly erred in allowing only 25% of the expense without any basis (In addition to the 50% of expense allowed by Ld. AO) and not allowing whole 50% of expense disallowed by Ld. AO.*

(G) *That the Ld. AU has on the basis of own surmises and conjectures and without giving a reasonable opportunity of being heard passed the order which is against the principle of natural justice.*

(H) *That the grounds of appeal mentioned hereunder are without prejudice to one another.*

(I) That the Appellant craves leave to add, amend, alter or withdraw any or more grounds of appeal on or before the hearing of the appeal.”

Although, the assessee has raised several grounds, the sole substantive issue relates to disallowance out of expenses on estimate basis.

3. Brief facts are that the assessee did not file his return of income for A.Y. 2020-21. Based on information available on the Insight Portal of the department, Ld. AO noted that the assessee had made transactions amounting to Rs. 75,00,000/- during the year. Hence, a notice u/s 148 was issued to the assessee on 14.03.2024 in response to which return declaring income of Rs. 42,40,713/- was filed on 05.12.2024. During the year, assessee was engaged in providing real estate agent services and had received commission income of Rs. 75,00,000/- from M/s. Gaursons Promoters Pvt. Ltd. against which expenses amounting to Rs. 32,65,992/- had been claimed. As the assessee could not submit complete documentary evidences in support of these expenses, Ld.AO disallowed 50% of the expenses claimed and made an addition of Rs. 16,32,996/- to the returned income.

Aggrieved, the assessee preferred an appeal before the Ld. CIT(A). After considering the assessee's submissions, Ld. CIT(A) reduced the disallowance from 50% to 25% of the expenses claimed.

Further aggrieved, the assessee has filed an appeal before the Tribunal.

4. We have heard the rival submissions and perused the material available on record. It is a fact that assessee had not been able to furnish complete documentary evidences in support of expenses claimed leading to the disallowance by Ld. AO on estimate basis which was reduced to 25% by Ld. CIT(A). At the same time, incurring of expenditure on payment of commission and other petty expenses cannot be denied. In order to meet the ends of justice, we, hereby, reduce the disallowance to 10% of the total expenses claimed by the assessee.

Ld. AO is directed to recompute the disallowance accordingly. The remaining grounds are not being pressed by the Ld. AR.

5. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the Open Court on 07-01-2026.

Sd/-
(MAHAVIR SINGH)
Vice President

Sd/-
(RENU JAUHRI)
Accountant Member

Dated: 14 .01.2026

Pooja Mittal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi