

IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH, MUMBAI
BEFORE SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER &
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA No. 947/Mum/2020
(A.Y: 2013-14)

PR Electricals Pvt Ltd, Mujaran Estate, Opp Ansa Industrial Estate, Next to Tata Power House, Andheri (W) Mumbai – 400072	Vs.	DCIT-10(3)(2) Earnest House,NCPA Marg, Nariman Point,Mumbai-400021
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. : AA ECP9754F		
Appellant	..	Respondent

Appellant by :	None
Respondent by :	Mr.H.M.Bhatt. Sr.DR

Date of Hearing	01.02.2022
Date of Pronouncement	03.02.2022

आदेश / O R D E R

PER PAVAN KUMAR GADALE JM:

The assessee has filed the appeal against the order of the Commissioner of Income Tax (Appeals)-17, Mumbai passed u/s 143(3) and the 250 of the Act.

2. The brief facts of the case that, the assessee company is engaged in the business of manufacturing control panel, control circuit, motor control, circuit (MCC) power control circuit. The assessee has filed the return

of income for the A.Y 2013-14 on 30.09.2013 with a total income of Rs.Nil, and the return of income was processed u/s 143(1) of the Act. Subsequently the case was selected for scrutiny and notice u/s 143(2) and 142(1) of the Act along with questionnaire was issued. The A.O. on perusal of the current liabilities in the balance sheet, found that the assessee has the obtained unsecured loans from the directors. Therefore to test check the genuineness of the Loan transactions, the AO has issued notice u/s 133(6) of the Act on the lenders, and the notices were returned unserved by the postal authorities with a remark "left". And the explanations submitted by the assessee on the unsecured loans are not satisfactory and the A.O. has made an addition of Rs.9,00,000/- as unexplained cash credit u/s 68 of the Act.

3. On the second disputed issue, with respect to unconfirmed purchases, the A.O found that the assessee has disclosed purchases in the profit and loss account to the extent of Rs.1,16,25,467/- and therefore to test check the genuineness of the purchases the A.O has issued notice u/s 133(6) on the parties. But some of the notices were returned by the postal authorities with a remark "not known and not found" and some parties have not responded to notice. The A.O has issued show cause

notice on the assessee, in compliance the Ld.AR of the assessee appeared from time to time and submitted the ledger account copies and filed the information/details. But the A.O. is of the opinion that, since the notices have been returned by the postal authorities the genuineness of the transactions is doubted and treated the purchases from three parties as unconfirmed purchases aggregating to Rs.4,70,401/-and assessed the total loss of Rs. 28,77,759/-and passed the order u/s 143(3) of the Act dated 23.03.2016.

4. Aggrieved by the order, the assessee has filed an appeal before the CIT(A). Whereas at the time of hearing none appeared in the appellate proceedings, therefore the CIT(A) relied on the findings of the A.O. and has dismissed the assessee appeal. Aggrieved by the CIT(A) order, the assessee has filed an appeal before the Hon'ble Tribunal.

5. At the time of hearing, none appeared on behalf of the assessee and the Ld.DR submitted that the Ld.CIT(A) has passed an ex parte confirming the action of the Assessing officer

6. We have heard the Ld.DR submissions and perused the material on record. Prima-facie the CIT(A) has passed the

ex-parte order considering the fact that there is no appearance nor any submissions are filed by the assessee in spite of providing adequate opportunity of hearing. Therefore, the CIT(A) was of the opinion that the assessee is not interested in prosecuting the appeal and dismissed the appeal ex-parte confirming the action of the assessing officer. We on perusal of the CIT(A) found that the Ld.CIT(A) has issued the notices of hearing referred at page 1 of the order, but there was no response and thus the Ld.CIT(A) came to a conclusion that the assessee is not inclined to prosecute the appeal.

7. We find that, the assessee has raised grounds of appeal challenging the additions by the A.O. and there could be various reasons for non appearance which cannot be overruled. We considering the principles of natural justice shall provide one more opportunity of hearing to the assessee to substantiate the case along with evidences and information. Accordingly, we set aside the order of the CIT(A) and remit the entire disputed issues to the file of the CIT(A) to adjudicate afresh on merits and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting

the information for early disposal of appeal and allow the grounds of appeal of the assessee statistical purposes.

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

Order pronounced in the open court on 03.02.2022.

Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Mumbai, Dated 03.02.2022

KRK, PS

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त(अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, Mumbai / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

1.

(Asst. Registrar)
ITAT, Mumbai