

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

**BEFORE SHRI G.S. PANNU, PRESIDENT &
SHRI SAKTIJIT DEY, JUDICIAL MEMBER**

ITA No.607/Del/2022
Assessment Year: 2017-18

Gurvinder Singh Sethi Individual, M-17, Pangpura Extension, New Delhi Pin: 110014	Vs.	ITO, Ward 54(3), Delhi
PAN :AATPS9562N		
(Appellant)		(Respondent)

Appellant by	Shri Jugal Kishore Gulati, CA
Respondent by	Shri Sumit Kumar Verma, Sr. DR

Date of hearing	20.05.2022
Date of pronouncement	20.05.2022

ORDER

PER SAKTIJIT DEY, JUDICIAL MEMBER:

This is an appeal by the assessee against order dated 23.03.2022, passed by the National Faceless Appeal Centre (NFAC) Delhi for the assessment year 2017-18.

2. We have heard Shri Jugal Kishore Gulati, learned authorized representative of the assessee and Shri Sumit Kumar Verma, learned Departmental Representative. The limited grievance of the assessee is against ex parte disposal of this appeal by the first appellate authority.

3. Briefly, the facts are, the assessee is a resident individual and is stated to be engaged in the business of auto parts, tyres and batteries. For the assessment year under dispute, assessee had filed his return of income on 07.11.2017 declaring the total income of Rs.14,87,230. The assessment in case of the assessee was completed under Section 143(3) of the Act vide order dated 25.12.2019, determining the total income at Rs.2,18,04,600. The huge variation between the income returned and income determined was due to the following additions:

- | | | |
|-----|---|----------------|
| i) | Unexplained cash credits under Section 68 of the Act. | Rs.36,22,000 |
| ii) | Unexplained expenditure under Section 69C of the Act. | Rs.1,66,95,371 |

4. As could be seen from the assessment order, the major addition of Rs.1,66,95,371 is on account of purchases claimed to have been made during the relevant previous year. In course of assessment proceedings, the Assessing Officer had called upon the assessee to furnish the details of the parties from whom the purchases were made along with supporting evidence. Though, the assessee furnished the details of the parties, however, the Assessing Officer did not accept the genuineness of the purchases made, alleging that the assessee deliberately furnished the details at the fag end so that no further inquiry could be made. Thus, it is the fact on record that certain details called for by the Assessing Officer in relation to the purchases made were furnished by the

assessee. Only because of lack of sufficient time to enquire/examine the details furnished, the Assessing Officer has added the amount. Even, in respect of addition made under Section 68 of the Act, the only reasoning of the Assessing Officer is such additions were made since cash was deposited in the bank account during demonetization period. Admittedly, the appeal of the assessee before the learned first appellate authority was disposed of ex parte by the NFAC. While doing so, learned first appellate authority has merely endorsed the view expressed by the Assessing Officer. In our considered opinion, assessee has not been provided a fair opportunity of hearing before making the additions.

5. In view of the aforesaid, we are inclined to restore the issues back to the file of the learned Commissioner (Appeals) for de novo adjudication after due opportunity of being heard to the assessee. We may further add by way of clarification, we have not expressed any opinion as regards the merits of the issues raised in the appeal. Needless to mention, assessee must be provided reasonable opportunity of being heard before deciding the appeal. Grounds are allowed for statistical purposes.

6. In the result, appeal is allowed for statistical purposes.

Order pronounced in the open court on 20TH May, 2022.

**Sd/-
(G.S. PANNU)
PRESIDENT**

**Sd/-
(SAKTIJIT DEY)
JUDICIAL MEMBER**

Dated: 20th May, 2022.
Mohan Lal

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi

Sl. No.	Particulars	Date
1.	Date of dictation (Order drafted through Dragon software):	24.05.2022
2.	Date on which the draft of order is placed before the Dictating Member:	26.05.2022
3.	Date on which the draft of order is placed before the other Member:	26.05.2022
4.	Date on which the approved draft of order comes to the Sr. PS/PS:	.05.2022
5.	Date of which the fair order is placed before the Dictating Member for pronouncement:	26.05.2022
6.	Date on which the final order received after having been singed/pronounced by the Members:	30.05.2022
7.	Date on which the final order is uploaded on the website of ITAT:	30.05.2022
8.	Date on which the file goes to the Bench Clerk	30.05.2022
9.	Date on which files goes to the Head Clerk:	
10.	Date on which file goes to the Assistant Registrar for signature on the order:	
11.	Date of dispatch of order:	