

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR.**

**BEFORE DR. M. L. MEENA, ACCOUNTANT MEMBER
AND SH. ANIKESH BANERJEE, JUDICIAL MEMBER**

**I.T.A. Nos.599 & 600/Asr/2019
Assessment Year: 2001-02 & 2002-03**

ATM Forgings, D-163, Focal Point, Jalandhar. [PAN:- AADFA8276F] (Appellant)	Vs.	Income Tax Officer, Ward-2(3), Jalandhar. (Respondent)
--	------------	---

Appellant by	None
Respondent by	Sh. S. M. Surendranath, Sr. DR.

Date of Hearing	25.08.2022
Date of Pronouncement	31.08.2022

ORDER

Per:Anikesh Banerjee, JM:

The instant appeals were filed by the assessee against the order of the Id. Commissioner of Income Tax (Appeals) -1, Jalandhar, [in brevity the CIT(A)] bearing appeal no. CIT(A)-1/Jal/498/07-08, date of order 28.06.2019, for A.Y. 2001-02 and another order bearing appeal no. CIT (A)-1/Jal/49/2016-17, date of order 28.06.2019 for A.Y. 2002-03. Both the orders were passed u/s 250(6) of the

Income Tax Act 1961, [in brevity the Act]. The impugned order was originated from the order of the Id. Income Tax Officer, Ward 2(3) Jalandhar (in brevity the AO), both the orders were passed u/s 143(3) of the Act.

2. The brief fact of the case is that for **A.Y. 2001-02** the assessing authority had made the addition the purchase amount of Rs.2,04,910/- from the party, M/s Krishana Hardware & Mill Store for hardware goods and purchase of electric goods from the party, M/s Rajiv Electric Trading Co. amounting to Rs.2,08,986/-. The Id. AO pointed out some lacuna in the purchase bill and mismatching of the State Sales Tax Number. Accordingly the purchase was added back for A.Y. 2001-02 with the total income of the assessee.

3. Related to **AY 2002-03** a direction was made by the ITAT Amritsar Bench bearing ITA No. 91/117/Asr/2006 date of pronouncement 27/11/2014. As per the order of ITAT, the order of the Id. AO was setting aside for further verification on basis of the genuineness of the transaction and genuineness of the parties through whom the purchase were made. The Id. AO further assessed as per the direction of the ITAT, Amritsar Bench and sustained the addition on basis of the defective bill and non-existence of the State sale tax number. The assessee filed appeal for both the years before the Id. CIT(A). The Id. CIT(A) upheld the orders of the AO. Aggrieved assessee filed appeal before us for further adjudication.

4. During hearing before us, none was present on behalf of the assessee. The matter was taken up after the consent of the Id. Sr. DR. Both the appeals are adjudicated as follows.

In both the orders of the revenue the verification was made on basis of the defect in the bill and basis of the non-existence of the State Sales tax Number. In the grounds of appeal the assessee claimed that the submission of the assessee was not considered during the adjudicating the same by the CIT(A) which is violation of principles of natural justice.

5. Id. Sr. DR only relied on the orders of both the revenue authorities and not able to bring any contrary facts against the ground of the assessee.

6. After a thoughtful consideration of the orders of the revenue authorities and the order of the ITAT Amritsar Bench, we are in opinion that mere defect in the bills and non-existence of the State VAT Number cannot be the reason for addition of purchase. In the books of the assessee the transaction was reflected as per the claim of the assessee. The gross verification of both the parties were not made by both the revenue authorities. The appellate authority only concluded on basis of the order of the AO& had not taken any effort for cross verification of assessee & parties. We find a further adjudication should be required for ascertaining the fact of the issues. We are setting aside both the appeals to the Id. CIT(A) for fresh

adjudication. Needless to say, the assessee should get a reasonable opportunity of hearing to conclude the matter before the revenue authority.

7. In the result, both the appeals bearing ITA 599 & 600/Asr/2019 are allowed for statistical purposes.

Order pronounced in the open court on 31.08.2022

Sd/-

(Dr. M. L. Meena)
Accountant Member

Sd/-

(ANIKESH BANERJEE)
Judicial Member

AKV

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By Order