

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "A": NEW DELHI
BEFORE SHRI C. N. PRASAD, JUDICIAL MEMBER
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

**ITA No. 3404/Del/2023
(Assessment Year: 2016-17)**

Akaansha Credit and Leasing Pvt. Ltd, 7/30, West Patel Nagar, New Delhi (Appellant)	Vs. ITO, Ward-2(1), Delhi (Respondent)
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PAN:AAACA7625E

Assessee by :	Ms. Mansi Jain, CA
Revenue by:	Shri Kanv Bali, Sr. DR

Date of Hearing	19/03/2024
Date of pronouncement	22/05/2024

O R D E R

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No.3404/Del/2023 for AY 2016-17, arises out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'ld. CIT(A)', in short] in Appeal No. ITBA/NFAC/S/250/2023-24/1056968952(1) dated 11.10.2023 against the order of assessment passed u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 28.12.2018 by the Assessing Officer, ITO, Ward-2(1), Delhi (hereinafter referred to as 'ld. AO').

2. The assessee has raised the following grounds of appeal before us:-

"1. On the facts and circumstances of the case, the order passed by the National Faceless Appeal Centre (NFAC) is bad, both in the eye of law and on the facts.

2. (i) On the facts and circumstances of the case, the NFAC has erred both on facts and in law in passing the order without giving the assessee a proper and adequate opportunity of being heard in violation of the principle of natural justice.

(ii) The reason for non-compliance of the notices issued by the NFAC was out of control of the assessee.

3 (i) On the facts and circumstances of the case, the NFAC has erred both on facts and in law in confirming the addition of Rs.41,79,890/- made by the Ld. Assessing Officer (AO) invoking the provision of Section 56(2) (vii) of the Act.

(ii) That the addition has been confirmed, rejecting the explanation and evidence filed by the assessee.

4. (i) On the fact and circumstances of the case, the NFAC has erred both on facts and in law in enhancing the addition of Rs.33,54,575/- made by the Ld. AO to Rs.3,87,12,638/- on account of unsecured loans.

(ii) That the NFAC has erred both on facts and in law in enhancing the above said addition ignoring the fact that the assessee had placed before the Ld.AO all necessary evidences and explanation to prove the identity and creditworthiness of the lenders as well as the genuineness of the transactions.

5. The applicant craves leave to add, amend, or alter any of the grounds of appeal."

3. At the outset, we find that that the National Faceless Appeal Centre, Delhi had disposed of this appeal ex parte without disposing of the issue on merits. The director of the assessee company was in receipt of notice and that there was a mention of annexure attached to the notice which did not contain any requirement. Accordingly, the assessee company was under the impression that another notice with proper annexures would be received by it and accordingly did not inform the Id AR for representation of the case before the Id CIT(A). To this effect, an affidavit duly notarised has been filed by the Assessee's Director before us. Considering the same and also considering the fact that the National Faceless Appeal Centre (NFAC) had not disposed of the appeal on merits, we deem it fit and appropriate to restore this appeal to the file of the Id CIT(A) for de novo adjudication in accordance with law. Needless to mention that the assessee be given reasonable opportunity of being heard. Accordingly, the grounds raised by the assessee are allowed for statistical purposes.

4. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 22/05/2024.

-Sd/-
(C. N. PRASAD)
JUDICIAL MEMBER

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated:22/05/2024
A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi