

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD “SMC” BENCH, AHMEDABAD**

**BEFORE Ms. SUCHITRA KAMBLE, JUDICIAL MEMBER**

**ITA No.55/Ahd/2024  
Assessment Year: 2018-19**

Rishabh Colours Pvt. Ltd., 48, Hirabhai Market, Near Diwan Balubhai School, Kankaria, Ahmedabad – 380 022. <b>[PAN – AACCR 7577 E]</b> (Appellant)	Vs.	The Income Tax Officer, Ward – 3(1)(2), Ahmedabad.  (Respondent)
Assessee by	Shri Bharat S. Shah, AR	
Revenue by	Shri Ketan Gajjar, Sr. DR	
Date of Hearing	02.04.2024	
Date of Pronouncement	03.06.2024	

**ORDER**

This appeal is filed by the assessee against order dated 28.12.2023 passed by the CIT(A), National Faceless Appeal Centre (NFAC), Delhi for the Assessment Year 2018-19.

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

- “1. *The learned CIT(A) erred in law and on facts in dismissing the appeal ex-parte, without considering the contents of the documents which were available on the record of the department and/or of the statement of fact; and without serving even a single notice of hearing on the email ID that was mentioned in the e-filed appeal memo.*
2. *The learned CIT(A) has erred in law and on facts in confirming the addition of Rs.8,85,962/- that was arbitrarily made by the AO by invoking the provisions of Section 68 of the Act, while passing the reassessment order.”*

3. The assessee filed return of income for the Assessment Year (A.Y.) 2018-19 by declaring total income of Rs.5,07,030/-. As per the information available with the Revenue Department, the assessee company has taken accommodation entries totalling to the tune of Rs.8,85,962/- during the Financial Year 2017-18.

Accordingly, the case was reopened and notice under Section 148 of the Income Tax Act, 1961 was issued on 30.03.2022 after obtaining prior approval of the competent authority. The Assessing Officer observed that the assessee company has taken accommodation entries totalling to the tune of Rs.8,85,962/- (credit & debit) for A.Y. 2018-19 from the entity controlled by Sanjay Govindram Agrawal (also known as Sanjay Tibrewal), who is engaged into the business of providing accommodation entries to various persons such as cheque in lieu of cash and vice versa, providing cash loans etc. and that such amount are non-genuine entries entered in the books of account. The assessee filed written submission dated 22.01.2023 thereby filing the objections regarding reason of reopening of the case. After taking cognisance of the submissions, the Assessing Officer made addition of Rs.8,85,962/- under Section 68 of the Act.

4. Being aggrieved by the Assessment Order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The Ld. AR submitted that the notices issued by the CIT(A) was not received by the assessee and, therefore, the CIT(A) has passed ex-parte order without giving opportunity of hearing to the assessee. The Ld. AR further submitted that the CIT(A) has not commented anything on the merits of the case.

6. The Ld. DR relied upon the Assessment Order and the order of the CIT(A).

7. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the CIT(A) though issued the notices but there was no mention about the service of the said notices to the assessee. The CIT(A) dismissed the appeal of the assessee solely on the ground of non-appearance of the assessee as well as non-submissions of any material on record. The order is ex-parte order and in the interest of justice, it will be appropriate to remand back the matter to the file of the CIT(A) for proper adjudication of the issues involved in the present appeal and decide the same as per Income Tax Statute. Needless to say, the assessee be given opportunity of hearing by following the principles of natural justice. It is hereby directed that the assessee will not take frivolous

adjournments and will fully cooperate before the CIT(A) during the course of hearing.

8. In the result, appeal of the assessee is partly allowed for statistical purpose.

Order pronounced in the open Court on this 3<sup>rd</sup> June, 2024.

*Sd/-*  
**(SUCHITRA KAMBLE)**  
Judicial Member

**Ahmedabad, the 3<sup>rd</sup> June, 2024**

***PBN/\****

*Copies to:* (1) *The appellant*  
(2) *The respondent*  
(3) *CIT*  
(4) *CIT(A)*  
(5) *Departmental Representative*  
(6) *Guard File*

*By order*

*Assistant Registrar*  
*Income Tax Appellate Tribunal*  
*Ahmedabad benches, Ahmedabad*