

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

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL
MEMBER**

&

SMT. RENU JAUHRI, ACCOUNTANT MEMBER

**ITA No.4834/Mum/2023
(A.Y. 2018-19)**

Maya Developers C-109, Ghatkopar Indl Est, LBS Road, Ghatkopar (E), Mumbai-400086	Vs.	National E-assessment Centre, Mayur Bhavan, Coonnaught lane, Barakhamba, Delhi-110001
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AAKFM4705G		
Appellant	..	Respondent

Appellant by :	None
Respondent by :	Shri Nagnath Pasale

Date of Hearing	29.05 .2024
Date of Pronouncement	14.06.2024

आदेश / O R D E R

PER RENU JAUHRI [A.M.] :-

This appeal is filed by the assessee against the order of the Learned Commissioner of Income-tax (Appeals), Mumbai/National Faceless Appeal Centre, Delhi [NFAC] [hereinafter referred to as “CIT(A)”] dated 26.10.2023 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for Assessment Year [A.Y.] 2018-19.

2. The grounds of appeal raised by the assessee are as under:

“1 The grounds of appeal mentioned hereunder are without prejudice to one another.

2 The learned Commissioner of Income-tax (Appeals) National Faceless Appeal Centre (CIT(A)) erred on facts as also in law in confirming addition of Rs. 29,74,455. The addition has been confirmed without considering the fact that the National e-Assessment Centre has passed the assessment order without providing proper opportunity of being heard and completed the assessment proceedings under best judgement without issuing show cause notice. The addition confirmed by CIT(A) is bad in law as also on facts and therefore the same may kindly be deleted.

3. The learned Commissioner of income-tax (Appeals), National Faceless Appeal Centre [CIT(A)] erred on facts as also in law in confirming addition of Rs 29,74,455/-. The addition has been confirmed by the appellant authority without providing opportunity of being heard despite of the fact that adjournment was sought against notices raised during appellant proceedings. The addition confirmed by CIT(A) is bad in law as also on facts and therefore the same may kindly be deleted.

4. The learned Commissioner of income-tax (Appeals), National Faceless Appeal Centre [CIT(A)] erred on facts as also in law in confirming addition of Rs.29,74,455/-. The addition has been made u/s 28 on the alleged ground of considering 1% value of WIP as Profit and gains on business and profession as income against NIL income. The addition confirmed by CIT(A) is bad in law as also on facts and therefore the same may kindly be deleted.”

3. The brief facts of the case are that the assessee filed his return declaring nil income for AY 2018-19 on 29.12.2018. The case was selected for complete scrutiny. The assessment was made u/s 144 of the Act vide order dated 30.04.2021 at an income of Rs. 29,74,460/- for the reason that while the assessee had shown opening stock of Rs. 29,74,44,500/- as on 01.04.2017 in the profit and loss account but there was no such closing stock reflected in the previous year. No business activities were shown by the assessee during the year, as such 1% of the inventories was treated as assessee's income for the year under consideration.

4. Aggrieved with the order, the assessee filed an appeal before Ld. CIT(A)/NFAC on 30.05.2021. The Ld. CIT(A) vide order dated 26.10.2023 dismissed the appeal after observing that no reply was received from the assessee even after several notices were issued and the assessee only sought adjournment in response to these notices. The order of the AO was accordingly upheld by the Ld. CIT(A).

5. Aggrieved with the said order, the assessee is in appeal before us. On the date fixed for hearing i.e. 29.05.2024, the assessee neither appeared for the hearing nor any request for adjournment was filed. We, therefore, deem it fit to decide the appeal on merits.

It is seen that the assessee had shown work in progress/opening stock of Rs. 29,74,44,500/- for F.Y. 2017-18 (A.Y. 2018-19). However, there was no closing stock as on 31.03.2017, hence, the AO has rightly calculated the taxable

income at @1% of 29,74,44,500/- being the profit element embedded in the work undertaken during the year. We do not find any infirmity in the assessment order which was rightly upheld by the Ld. CIT(A). The appeal of the assessee, therefore, dismissed.

6. In the result, the appeal filed by the assessee is dismissed.

Order Pronounced in Open Court on 14.06.2024

Sd/-

(NARENDER KUMAR CHOUDHRY)
JUDICIAL MEMBER

Sd/-

(RENU JAUHRI)
ACCOUNTANT MEMBER

Place: Mumbai

Date 14.06.2024

ANIKET SINGH RAJPUT/STENO

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT,
Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//
आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण/ ITAT, Bench,
Mumbai.