

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

**BEFORE MS. KAVITHA RAJAGOPAL, JM AND  
SHRI GIRISH AGRAWAL, AM**

ITA No. 968/Mum/2024  
(Assessment Year: 2021-22)

Ravechi Traders India Private Limited Gala No.1, Survey No.2, Universal Building, Golani Naka Waliv, Vasai (E), Vasai, Mumbai-401 208	Vs.	NFAC Assessment Unit, IT Dept., Delhi
PAN/GIR No. AAECJ 4041 R		
(Assessee)	:	(Respondent)
<b>Assessee by</b>	:	Shri Ravindra Poojary
<b>Respondent by</b>	:	Smt. Mahita Nair
<b>Date of Hearing</b>	:	19.06.2024
<b>Date of Pronouncement</b>	:	27.06.2024

**ORDER**

**Per Kavitha Rajagopal, J M:**

This appeal has been filed by the assessee, challenging the *ex parte* order of the learned Commissioner of Income Tax (Appeals) (‘ld.CIT(A) for short), National Faceless Appeal Centre (‘NFAC’ for short) passed u/s.250 of the Income Tax Act, 1961 (‘the Act’), pertaining to the Assessment Year (‘A.Y.’ for short) 2021-22.

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

1. **ADDITION OF INCOME BY THE A.O. BAD IN LAW**

1. *On the facts and in the circumstances of the case and in law, the Learned Assessing Officer erred in adding Income Rs. 10,36,97,397/-. The Appellants prays that the Purchases as claimed in the Return of Income is as per the GST Returns filed by the Appellant. Further, the Assessing Officer has also considered the purchases which are not reflecting in the financials statements of the appellant. The Assessing Officer has passed the order without verifying the financial statements and without considering the submission made by the Appellant.*

2. *The Assessing officer has erred in considering the income from other sources amounting to Rs. 10,20,616/- without understanding the financial statements and without application of basic accounting concepts.*

3. The appeal is time barred by 98 days and the assessee has filed an Affidavit for condoning the said delay. After hearing both the parties, we are of the considered opinion that the assessee had 'sufficient cause' for the delay in filing the present appeal and we, therefore, deem it fit to condone the delay. Delay condoned.

4. The brief facts of the case are that the assessee is a domestic company engaged in wholesale business and had filed its return of income on 31.01.2022, declaring total income of Rs.1,43,670/- and claiming refund of Rs.14,69,750/- and the same was processed u/s.143(1) of the I.T. Act on 23.08.2022, resulting in refund of Rs.15,94,680/-. The assessee's case was then selected for scrutiny under CASS for the reason that the "Assessee has made substantial purchases from suppliers who are either Non Filer(s) or have filed non-business ITR (ITR 1, 2) or reflected a substantially lower turnover in ITR." Notices u/s.143(2) and 142(1) of the I.T Act were duly issued and served on the assessee. The learned Assessing Officer (ld. A.O. for short) passed the assessment order u/s. 143(3) r.w.s. 144B of the Act on 30.12.2022, determining the total income at Rs.10,47,82,937/- after making an addition of Rs.10,36,12,651/- on the purchases alleged to be bogus as unexplained expenditure u/s. 69C of the Act and Rs.10,26,616/- as other income treated as 'income from other sources'.

5. The assessee was in appeal before the first appellate authority, challenging the assessment order.

6. The ld. CIT(A) vide an *ex parte* order dated 25.09.2023, upheld the order of the ld.A.O. for the reason that inspite of several opportunity the assessee has failed to substantiate his claim.

7. The assessee is in appeal before us, challenging the impugned order of the Id. CIT(A).
8. We have heard the rival submissions and perused the materials available on record. It is observed that the assessee has challenged the additions made by the Id. A.O. before the first appellate authority but has been non compliant throughout the appellate proceeding.
9. The learned Authorised Representative ('Id. AR' for short) for the assessee prayed that the assessee may be given one more opportunity to present its case before the Id. CIT(A).
10. The learned Departmental Representative ('Id.DR' for short) vehemently opposed to setting aside the issue to the file of the Id. CIT(A) for the reason that the assessee was given several opportunity by the Id. CIT(A) which was not availed by the assessee.
11. On the above factual matrix of the case, we are of the considered view that the assessee may be given one more opportunity to present its case before the first appellate authority by adhering to the principles of natural justice. We, therefore, remand all these issues back to the file of the Id. CIT(A) for *de novo* adjudication. The assessee is directed to comply with the proceedings without any undue delay on its side.
12. In the result, the appeal filed by the assessee is allowed for statistical purpose.

*Order pronounced in the open court on 27.06.2024.*

Sd/-

Sd/-

(Girish Agrawal)  
Accountant Member

(Kavitha Rajagopal)  
Judicial Member

Mumbai; Dated : 27.06.2024

Roshani, Sr. PS

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent
3. CIT - concerned
4. DR, ITAT, Mumbai
5. Guard File

BY ORDER,

(Dy./Asstt. Registrar)  
ITAT, Mumbai