

appeals are common and therefore they are heard together and disposed of through this common order.

2. The assessee is a private limited company filed a return of income for AY 2014-15 on 30.09.2014 declaring a total income of Rs. Nil and a current year loss of Rs. 59,674/-. For AY 2015-16 the assessee filed the return of income on 02.10.2015 declaring total income of Nil and a current year loss of Rs. 12,10,151/-. The case for both these AYs were selected for scrutiny and statutory notices were duly served on the assessee. The AO completed the assessment by making addition under section 56(2)(viib) of the Income Tax Act, 1961 (the Act) amounting to Rs. 1,10,28,967/- for AY 2014-15 and Rs. 1,43,91,845/- for AY 2015-16.

3. Aggrieved the assessee filed further appeal before the CIT(A) for both the AYs. However, the assessee did not respond to the various notices issued by the CIT(A) and therefore, the CIT(A) confirmed the additions made by the AO ex-parte without going into merit of the case. Aggrieved the assessee is in appeal before the Tribunal.

4. The ld. AR submitted that the assessee was not aware of the notices issued by the CIT(A) and that most of notices for both the AYs were issued during the Covid period. Therefore, the Ld. AR further submitted that the assessee could not represent the case of merit before the CIT(A) and prayed for one more opportunity before the CIT(A).

5. The ld. DR on the other hand vehemently opposed giving one more opportunity to the assessee. The ld. DR submitted that various notices have been issued from 2018 to 2023 and that the assessee did not respond to any

of the notices. The ld. DR therefore, supported the order of the CIT(A) dismissing the appeal.

6. We heard the parties and perused the material on record. The AO during the course of assessment rejected the method of valuation adopted by the assessee towards valuation of share and accordingly made additions under section 56(2)(viib) of the Act for both AYs 2014-15 and 2015-16. The CIT(A) on further appeal issued various notices from 2018 to 2023 however, the assessee had not responded to any of these notices and accordingly the CIT(A) confirmed the addition made by the AO ex-parte without going into the merit of the issue. It is submitted before us that most of the notices issued by the CIT(A) were issued during the Covid period and that the assessee has sought adjournment to the first of the notices issued in 2019. It is also submitted that the subsequent notices could not be responded due to onset of Covid and that the appeal was dismissed by the CIT(A) accordingly. Considering the facts of the present case, in the interest of natural justice and fair play, we are inclined to give one final opportunity to the assessee to represent the case on merits before the CIT(A). Accordingly, we remit the appeals for AY 2014-15 & 2015-16 back to the CIT(A) with a direction to consider the appeals afresh by calling for necessary details as may be required. The assessee is directed to file the necessary details as sought by the CIT(A) and co-operate with the appellate proceeding without seeking any adjournments. It is ordered accordingly.

7. In the result, the appeal for AY 2014-15 & 2015-16 are allowed for statistical purposes.

Order pronounced in the open court on 29-07-2024.

Sd/-
(RAHUL CHAUDHARY)
Judicial Member
**SK, Sr. PS*

Sd/-
(MS. PADMAVATHY S)
Accountant Member

Copy of the Order forwarded to :

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

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai