

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "H(SMC)", MUMBAI

BEFORE SHRI ANIKESH BANERJEE, JUDICIAL MEMBER AND
SHRI GAGAN GOYAL, ACCOUNTANT MEMBER

I.T.A No.2862/Mum/2024
(Assessment Year: 2020-21)

Merchant Ventures Pvt Ltd. 1105, Dsquare CHS, Dadabhai Road, Vile Parle West, Mumbai PAN : AAJCM8222E	vs	National Faceless Appeal Centre, Delhi
APPELLANT		RESPONDENT

Assessee by : None
Respondent by : Shri MehuJain (SR. DR.)
Date of hearing : 21/08/2024
Date of pronouncement : 22/ 08/2024

ORDER

PER ANIKESH BANERJEE, J.M:

Instant appeal of the assessee was filed against the order of the Learned National Faceless Appeal Centre (NFAC), Delhi [for brevity, 'Ld.CIT(A)'] passed under section 250 of the Income-tax Act, 1961 (in short, 'the Act'), for Assessment Year 2020-21, date of order 05.03.2024. The impugned order was emanated from the order of the Assessment Unit, Income-tax Department (in short, the Ld.AO) passed under section 143(3) read with section 144B of the Act, date of order 24/09/2022.

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

"1. Additions u/s. 69C at Rs.28.37.655/-

(a) Learned Assessing Officer erred in making the additions of Rs.28,37,655/-as unexplained expenditure under section 69C of the Income Tax Act, 1961.

(b) Your appellant submits that there is no loss to the exchequer because whatever purchases was made from Hanumant Trading Company was shown in assets directly hence it had not affected the Audited Statement of Profit and Loss Account for the financial year 2019-20.

(c) Appellant prays that above disallowance of Rs. 28,37,655/- be deleted.

2. The Appellant craves to add, amend or alter any of the above ground of appeal on or before the appeal hearing."

3. The brief facts of the case are that the assessment was framed under section 143(3)r.w.s. 144B of the Act. The total addition was confirmed by the Id. AO amount to Rs.28,37,655/- U/s 69C of the Act, related to bogus purchases from "M/s Hanumant Trading Company" in order to reduce the profit. Being aggrieved on the assessment order, the assessee filed an appeal before the Id. CIT(A). The Id.CIT(A) passed an exparte order and upheld the assessment order. Being aggrieved on the appeal order, the assessee filed an appeal before us.

4. We heard the contention of the Ld.DR and considered the documents available in the record. The assessment was completed by allowing the reasonable opportunity to the assessee and different dates were fixed for the hearing. The addition was made for bogus purchases from M/s Hanumant Trading Company. During the assessment proceedings, the assessee submitted the purchase register and other documents, but which was treated as part compliance. But in appeal, the Id. CIT(A) considered the assessment record. Due

to non-compliance in appeal on the part of assessee, the ex parte order was passed. The assessee was unable to submit its documents before the authority. So, the reasonable opportunity for the assessee is denied. We find that the assessee should get another opportunity to submit the evidence before the Id. CIT(A). We set aside the impugned appeal order. Accordingly, the appeal of the assessee is remitted to the file of the Id. CIT(A) for adjudication *de novo*. We are not expressing our view on the merit of the case which will impair the set aside appeal proceedings. Needless to say, the assessee should get a reasonable opportunity of hearing before the Id. CIT(A). On the other hand, the assessee should be diligent and co-operative before the Id. CIT(A) for quick disposal of the appeal.

5. In the result, the appeal of the assessee bearing **ITA No.2862/Mum/2024** is allowed for statistical purposes.

Order pronounced in the open court on 22nd day of August 2024.

Sd/-

(GAGAN GOYAL)
ACCOUNTANT MEMBER
Mumbai, दिनांक/Dated: 22/08/2024
Pavanan

sd/-

(ANIKESH BANERJEE)
JUDICIAL MEMBER

Copy of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकरआयुक्त CIT
4. विभागीयप्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT,
Mumbai
5. गार्डफाइल/Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar), **ITAT, Mumbai**