

**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, AM.**

&

DIESH MOHAN SINHA, JM

आयकरअपीलसं./ITA No.299/RJT/2024

(निर्धारणवर्ष / Assessment Year: (2020-21))

(Hybrid Hearing)

Dhirajlal Govindbhai Patel Mayurpankh Industries, K-1/49, Road-D, Phase-I, AJI GIDC, 80ft Road, Rajkot – 360003 Gujarat	Vs.	The ITO, Ward – 1(2)(1), Aayakar Bhawan, Race Course Ring Road, Rajkot – 360001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AGEPP0489N		
(Respondent)		

Appellant by : Shri D. M. Rindani, Ld. AR
Respondent by : Shri Abhimanyu Singh Yadav, Ld. Sr. DR
Date of Hearing : 22 /10 /2024
Date of Pronouncement : 22 /01 /2025

आदेश / ORDER

PER DINESH MOHAN SINHA, JM:

Captioned appeal filed by the assessee is directed against the order passed by the National Faceless Appeal Centre [(in short “NFAC/Ld.CIT(A)”] vide order dated 08.05.2024, which in turn assessment order passed by Assessment Unit, Income Tax Department / Assessing Officer under section 154 of the Income Tax Act, 1961 (in short “the Act”).

2. Grounds of appeal raised by the assessee are as followed:



1) *The Learned Commissioner of Income – tax (Appeals), NFAC, Delhi erred in confirming action of CPC in making addition of Rs. 68,02,077/- by disallowing the claim of deduction made by the appellant u/s. 54G of the Act.*

2) *The Learned Commissioner of Income Tax (Appeals), Income Tax Department NFAC, Delhi further erred in upholding action of CPC in making addition of Rs. 68,02,077/- to returned income of the appellant without stating any reasons.*

3) *The appellant craves leave to add, amend, alter and withdraw any ground of appeal anytime up to the hearing of this appeal.*

3. Brief facts of the case is that the appellant is an individual. During the year under consideration, the appellant decided to shift his industrial unit to the rural area and sold the industrial factory situated in Rajkot for a sale price of Rs. 75,00,000/-. Thereafter, the appellant purchased a factory unit in the village Soyol, Dist. Jamnagar (Rural area) for Rs. 1,50,00,000/- and claimed deduction u/s. 54G of Rs. 68,02,077/- in the return of income filed by assessee. However, the assessee submitted in submission filed on 29.11.2023 that assessee had worked out the deduction u/s. 54G of the Act in computation of income was processed u/s. 143(1) of the Act on 28.10.2021 whereby exemption claimed was disallowed. Thereafter, the appellant filed rectification request u/s. 154 of the Act before CPC. However, the CPC confirmed the demand, the rectification request of the appellant was rejected, vide rectification order u/s. 154 of the Act.



4. Feeling aggrieved by the order dated 15.07.2022. The assessee filed an appeal before the Ld. CIT(A) and NFAC. The details of opportunities provided to the assessee for hearing, and the outcome are detailed below:

Sr. No.	Date of Notice	Date of hearing	Remarks
1.	24.11.2023	30.11.2023	Response submitted on 30.11.2023
2.	10.01.2024	16.01.2024	Response submitted on 15.01.2024
3.	12.02.2024	16.02.2024	Response submitted on 15.02.2024

5. The Ld. CIT(A) has disposed the appeal with a view of the legal and factual position. It was held that the mistake committed by the appellant cannot be rectified by under section 154 of the Act. Hence, the ground raised by the appellant is accordingly rejected.

6. The assessee filed an appeal against the impugned order of the Ld. CIT(A) vide order dated 15.03.2024, the assessee is appeal before us.

7. The Ld. AR of the assessee requested for one more opportunity to explain the case before the lower authority. On the other hand Ld. Sr. DR on



behalf of the revenue has not objected to the prayer of the assessee and relied on the order of the Ld. CIT(A).

8. We have heard both the parties and perus the material available on record we note that assessee could not plead his case successfully before the ld. CIT(A). We note that it is settled law that principles of natural justice and fair play require that the affected party is granted sufficient opportunity of being heard to contest his case. Therefore, without delving much deeper into the merits of the case, in the interest of justice, we restore the matter back to the file of Ld. CIT(A) for de novo adjudication and pass a speaking order after affording sufficient opportunity of being heard to the assessee, who in turn, is also directed to contest his stand forthwith. Therefore, we deem it fit and proper to set aside the order of the ld. CIT(A) and remit the matter back to the file of the ld. CIT(A) to adjudicate the issue afresh on merits.

9. For statistical purposes, the appeal of the assessee is treated as allowed.

Order pronounced in the open court on 22/01/2025

Sd/-
(A. L. SAINI)
ACCOUNTANT MEMBER

Sd/-
(DINESH MOHAN SINHA)
JUDICIAL MEMBER

Rajkot

दिनांक/ Date: 22 /01/2025

Copy of the Order forwarded to

1. The Assessee



2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot