

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

**BEFORE SHRI AMIT SHUKLA, JUDICIAL MEMBER  
&  
SMT. RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 6246/MUM/2024  
(A.Y. 2018-19)**

Prakash Jha 201-AB and CD, Abhishek Off New Link Road, Andheri West, Mumbai-400053	v/s. बनाम	National Faceless Assessment Centre, Delhi ACIT Circle, 16(1), Room No. 439, Aaykar Bhavan, New Marin Lines, Mumbai-400020
<b>स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AAPJPJ3208L</b>		
<b>Appellant/अपीलार्थी</b>	..	<b>Respondent/प्रतिवादी</b>

Assessee by :	Shri K. Gopal
Revenue by :	Shri Mahesh Pamnani

Date of Hearing	15.01.2025
Date of Pronouncement	20.01.2025

**आदेश / ORDER**

**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 [hereinafter referred to as “CIT(A)”] dated 28.06.2023 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for Assessment Year [A.Y.] 2018-19.

2. The assessee has raised following grounds of appeal:

*“1. The National Faceless Appeal Centre, Delhi (NFAC) erred in passing the ex parte order dated 28.06.2023 under section 250 of the Act without providing the Appellant a reasonable opportunity of being heard. The order passed by*

*NFAC is in breach of the principles of natural justice and the same may be set aside.*

*2. The NFAC erred in confirming the addition of Rs.4,61,484/- under section 23 of the Act as Income from house Property by treating the same as notional rent without appreciating the facts and circumstances of the case. The said addition made under section 23 of the Act is unjustified and the same may be deleted.*

*3. The NFAC erred in confirming the ad-hoc disallowance of Rs.39,38,890/- by treating the same as interest received on interest free loans given to sister concerns without appreciating the facts and circumstances of the same. The said ad-hoc disallowance made by the Ld.A.O. and confirmed by the NFAC is not justified and the same may be deleted.*

*4. The NFAC erred in confirming the disallowance of Rs.11,19,528/- made by the Ld.A.O. under section 40A(3) of the Act without appreciating the facts and circumstances of the case. The disallowance made under section 69A of the Act is not justified and the same may be deleted.*

*5. The NFAC is not justified in confirming the disallowance of Rs. 1,76,839/- under section 40A(3) of the Act without appreciating the facts and circumstance of the case. The disallowance made under section 40A(3) of the Act is not justified and the same may be deleted.”*

3. Brief facts of the case are that the assessee filed return for AY 2018-19 on 30.10.2018 declaring total loss of Rs. 58,27,607/-. The assessee is engaged in the business of production of feature film as proprietor ‘M/s. Prakash Jha Production’ and has also shown income from house property. The case was selected for scrutiny and assessment was completed after making the following additions:

- i. Income from house property Rs.4,61,484/-
- ii. Disallowance on account of interest free loans Rs. 39,88,890/-
- iii. Disallowance u/s 40A(3) Rs. 11,80,528/- & 1,76,819/-

4. Aggrieved with the order of Ld. AO, the assessee preferred an appeal before Ld. CIT(A). As no compliance made to the notices issued by the Ld. CIT(A), he decided the appeal exparte vide order dated 28.06.2023.



Aggrieved with the order of Ld. CIT(A), the assessee is in appeal before this Tribunal.

5. At the outset, Ld. AR pointed out that the assessee could not make compliance before Ld. CIT(A) as the notice was sent on email of an old employee and, therefore, was not received by the assessee. He has, therefore, requested for restoring the matter back to the file of Ld. CIT(A) for adjudication on the merits.

Ld. DR has also not objected to the said proposition.

6. In the interest of justice, we are inclined to accept the request of the Ld. AR as the matter has been decided without giving proper opportunity to the assessee. The case is, therefore, remanded back to Ld. CIT(A) for a fresh adjudication on merits after giving due opportunity to the assessee. The assessee is also directed to make available his correct email address for proper service of the notice by the revenue.

7. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 20.01.2025.

**Sd/-**

**AMIT SHUKLA**

**(न्यायिक सदस्य/JUDICIAL MEMBER)**

**Sd/-**

**RENU JAUHRI**

**(लेखाकार सदस्य/ACCOUNTANT MEMBER)**

Place: मुंबई/Mumbai

दिनांक /Date 20.01.2025

अनिकेत सिंह राजपूत/ स्टेनो



**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.**

