

**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH : BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER**

ITA No. 147/Bang/2025
Assessment Year : 2018-19

Shri Narendra Juniwal, No. 2, Manayata Sales Mahavir Mansion, Shop No. 4, Bangalore South, Bangalore – 560 002. PAN: ABEPJ7007P	Vs.	The Income Tax Officer, Ward – 5(2)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	Smt. Suman Lunkar, CA
Revenue by	:	Shri Subramanian S, JCIT-DR

Date of Hearing	:	18-03-2025
Date of Pronouncement	:	19-03-2025

ORDER

PER PRAKASH CHAND YADAV, JUDICIAL MEMBER

Present appeal of the assessee is arising from the order of the Ld.CIT(A) dated 19/12/2024 and relates to A.Y. 2018-19.

2. The brief facts of the case as coming out from the orders of the authorities below are that the assessee is an individual carrying out the trading of gems and jewellery in Jaipur under name & style of “AALNN TECH GEMS” as a proprietor. For the year, under consideration the assessee has filed his return of income declaring an income of Rs 4,08,700/-

Thereafter the assessee had received a notice u/s 143(2) of the Act dated 28.09.2019 in which it is stated that the case is selected for limited scrutiny and the issue to be verified under limited scrutiny was "Exports/Imports".

3 During the course of the assessment proceeding the AO observed that in the year under consideration the assessee had imported Synthetic Ruby Rough (it is man-made synthetic rough) and Glass Cut Stones, from China. The AO further observed that the above rough Ruby has been valued at Rs. 67,57,683.75 was shown in purchase A/c by the assessee and the payment for the same has not done as such. The AO next observed that the Customs Department has assessed the value of the imported items / goods at Rs. 3,49,11,507/-. Relying on the valuation of custom department the AO made additions in the hands of assessee under section 69C of the act on account of unexplained expenditures and also apply 8% profit on towards the sale of these diamonds.

6. Aggrieved with the order of the AO, the assessee preferred an appeal before the Ld.CIT(A) and made ponderous submissions however the Ld.CIT(A) affirmed the order of the Ld.AO without dealing with the submissions made by the assessee.

7. Aggrieved with the order of the Ld.CIT(A), assessee has come up in appeal before us and contended that the assessee has not been granted a meaningful opportunity by the assessing officer and hence the assessment requires to be set aside to the file of the AO for framing afresh. Ld Counsel for the assessee has drawn the attention of the Bench towards Page No-60 of the PB and contended that the time allotted for filing reply was upto 2nd march 2021 till 23.59 Hrs and the order of assessment is passed on the same date at around 6.01PM. And hence there is violation of principle of natural justice. The AR has also relied upon the judgment of Hon'ble Bombay High Court in the case of Uday Desai Vs NFAC reported in 132 taxman.com 117(Bom).

8. Ld DR relied upon the orders of authorities below.

9. We have heard the rival submissions and perused the material available on record we find over self in agreement with the contention of the Ld. AR of the assessee, that there is violation of principle of natural justice, in as much as the AO has not granted meaning full opportunity to the assessee. We further observed that the CIT(A) has also not dealt with the contentions of the assessee in a judicious manner. Therefore, we are of the considered view that the matter requires fresh consideration at the end of AO. Before parting we would like to mention that the AO will consider all the arguments of the assessee vis-à-vis faults in the valuations of the custom department and then pass a speaking order.

10. In result the appeal of the assessee stands allowed for statistical purposes.

Order pronounced in the open court on 19th March, 2025.

Sd/-
(WASEEM AHMED)
Accountant Member

Sd/-
(PRAKASH CHAND YADAV)
Judicial Member

Bangalore,
Dated, the 19th March, 2025.
/MS /

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|---------------|------------------------|
| 1. Appellant | 2. Respondent |
| 3. CIT | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A) |

By order

Assistant Registrar,
ITAT, Bangalore