

**IN THE INCOME TAX APPELLATE TRIBUNAL,
'A' BENCH, KOLKATA**

**Before Shri Duvvuru RL Reddy, Vice-President (KZ)
&
Shri Sanjay Awasthi, Accountant Member**

**I.T.A. No. 535/KOL/2025
Assessment Year: 2015-2016
&
I.T.A. No. 536/KOL/2025
Assessment Year: 2017-2018**

***Cyrus Merchandise Pvt. Limited,.....Appellant
C/o. Subash Agarwal & Associates,
Advocates,
Siddha Gibson,
1, Gibson Lane, Suite 213, 2nd Floor,
Kolkata-700069
[PAN:AACCC3429N]***

-Vs.-

***Income Tax Officer,.....Respondent
Ward-11(2), Kolkata,
Aayakar Bhawan,
P-7, Chowringhee Square,
Kolkata-700069***

Appearances by:

*Shri Siddarth Agarwal, Advocate, appeared on behalf of
the assessee*

*Shri Raja Sengupta, CIT, D.R., appeared on behalf of the
Revenue*

Date of concluding the hearing: June 16, 2025

Date of pronouncing the order: June 24, 2025

O R D E R

Per Duvvuru RL Reddy, Vice-President (KZ):-

The present appeals bearing ITA Nos. 535/KOL/2025 and 536/KOL/2025 are directed at the instance of assessee against the orders of Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, both dated 28th February, 2025 passed for Assessment Years 2015-16 and 2017-18 respectively.

2. Brief facts of the case are that the assessee-appellant filed its return of income for the assessment year 2015-16 on 30.09.2015 declaring loss of Rs.3,24,707/-. The assessee filed its return of income for the assessment year 2017-18 on 03.11.2017 declaring income at 'NIL'. After receipt of notice under section 148 of the Income Tax Act, the assessee filed the return of income for both the assessment years on 26.04.2021. The appellant-assessee declared loss of Rs.3,24,707/- and paid tax of Rs.4070 thereon for the assessment year 2015-16, whereas the appellant-assessee declared income at NIL and paid tax of Rs.14,269/- u/s 115JB thereon. The assessee in response to notices uploaded documents, bank statement, profit & loss account, tax computation, loan confirmation of parties, bank statements of parties from loan taken, income tax receipts and source of funds for both the assessment years. The Id. Assessing Officer added back a sum of Rs.70,00,368/- and Rs.30,00,000/- for the assessment year 2015-16 and 2017-18 respectively on the ground that the loans

from whom the assessee has taken are found to be paper company in the investigation of the Department and added back the entire loan amount to the income of the assessee as unexplained cash credits under section 68 of the Income Tax Act, 1961.

3. Being not satisfied, the assessee preferred appeals before the ld. CIT(Appeals) for both the assessment years.

4. The ld. CIT(Appeals) has given several opportunities to the assessee to substantiate its claim, but the appellant neither filed the written submission nor represented the case before the ld. CIT(Appeals). Thereafter the ld. CIT(Appeals) dismissed the appeals *ex-parte* for both the assessment years on 28th February, 2025. On being aggrieved, the assessee preferred appeals before the ITAT.

5. We have heard both the sides. At the time of hearing, ld. Counsel for the assessee prayed before the Bench that the impugned orders be set aside and remitted back to the file of ld. CIT(Appeals) for deciding it afresh.

6. At the outset, ld. D.R. brought to our notice that the appellant-assessee did not produce the relevant documents as asked by the ld. Assessing Officer during the assessment proceedings. Therefore, the ld. Assessing Officer passed the assessment order assessing the taxable income at Rs.70,00,368/- and Rs.30,00,000/- for the assessment year 2015-16 and 2017-

18 respectively. Thereafter the assessee preferred appeals before the ld. CIT(Appeals). The ld. CIT(Appeals) has given many opportunities to the assessee and the assessee neither filed written submission nor any evidence before the ld. CIT(Appeals). He further submitted that before the ITAT, the assessee did not substantiate its claim for both the assessment years. Therefore, he pleaded to uphold the orders passed by the CIT(Appeals).

7. We have perused the material available on record. Considering the facts and circumstances of the case, we are inclined to set aside the orders passed by the ld. CIT(Appeals) in order to meet the principle of natural justice, and remit the matter back to the file of ld. CIT(Appeals) with a direction to provide one more opportunity of being heard to the assessee. At the same breath, we also hereby caution the assessee to promptly co-operate with the proceedings before the Ld. CIT(Appeals) failing which the Ld. CIT(Appeals) shall be at liberty to pass appropriate order in accordance with law and merits based on the materials available on the record. Thus, the grounds for both the appeals raised by the assessee are allowed for statistical purposes.

8. In the result, both the appeals of the assessee are allowed for statistical purposes.

Order pronounced in the open Court on 24/06/2025.

Sd/-
(Sanjay Awasthi)
Accountant Member

Sd/-
(Duvvuru RL Reddy)
Vice-President (KZ)

Kolkata, the 24th day of June, 2025

*Copies to :(1) Cyrus Merchandise Pvt. Limited,
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Advocates,
Siddha Gibson,
1, Gibson Lane, Suite 213, 2nd Floor,
Kolkata-700069*

*(2) Income Tax Officer,
Ward-11(2), Kolkata,
Aayakar Bhawan,
P-7, Chowringhee Square,
Kolkata-700069*

(3) CIT(Appeals), NFAC, Delhi;

(4) CIT - ;

(5) The Departmental Representative;

(6) Guard File

TRUE COPY

By order

*Assistant Registrar,
Income Tax Appellate Tribunal,
Kolkata Benches, Kolkata*

Laha/Sr. P.S.