

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM  
AND SONJOY SARMA, JM**

**ITA Nos. 401 & 402/Coch/2025  
S.P. No. 55/Coch/2025  
Assessment Years: 2017-18**

Venus Industries ..... Appellant  
4/490, Sree Narayanapuram,  
Panangad PO,  
Kodungallur, Thrissur.  
PAN: AALFV1403H

vs.

Asst. Commissioner of Income Tax ..... Respondent  
Circle-2(1),  
Thrissur.

Appellant by: Shri Binisha Baby, Advocate  
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 03.06.2025  
Date of Pronouncement: 30.06.2025

**ORDER**

**Per: Inturi Rama Rao, AM**

These are two different appeals filed by the assessee directed against the order of the National Faceless Appeal Centre, Delhi (in short "CIT(A)"), dated 21/02/2025 for the Assessment Year (AY) 2017-18.

2. Since the identical facts and issues are involved in these two appeals are interconnected, these were heard together and disposed of vide this common order.

3. For the sake of clarity and convenience, the facts involved in ITA No. 402/Coch/2025, AY 2017-18 are stated herein under.

4. Briefly the facts of the case are that the appellant is a company engaged in the business. The appellant company filed its Return of Income for the AY 2017-18 on 29/03/2018 disclosing loss of Rs. 23,82,543/-. Against the said return of income, the assessment was completed by the ACIT, Circle-2(1), Thrissur (hereinafter referred to as "AO"), vide order dated 23/12/2019 passed U/s. 144 of the Income Tax Act, 1961 (in short "the Act") at a total income of Rs. 29,49,880/-. While doing so, the AO made addition on account of difference in valuation of closing stock of Rs. 4,05,303/- by holding that the appellant company had not valued the closing stock by including the tax component. Similarly, the AO made an addition of loan of Rs. 33,90,756/- for failure of the assessee to satisfy the ingredients of section 68 of the Act. The AO also made a disallowance of Rs. 15,36,360/- by disallowance of expenditure.

5. Being aggrieved by the above assessment order, an appeal was filed before the CIT(A), who vide the impugned order had dismissed the appeal ex-parte after passing a reasoned order.

6. Being aggrieved, the appellant is in appeal before us in the present appeal.

7. At the outset, there is a delay of 34 days. The appellant had filed a condonation petition wherein it was submitted that the CIT(A) order was brought to the notice of the appellant only when the jurisdictional Officer informed about the proceedings being completed U/s. 270A of the Act. The appellant was expecting notices physically and consequently service of notice electronically missed by the appellant which led to the delay in filing the appeal. After considering the reasons advanced by the appellant for belated filing of the appeal, we find that there is a reasonable and sufficient cause due to which the assessee was prevented by filing the appeal within the due date. Accordingly, we here by condone the delay of 34 days in filing the appeal and proceed to adjudicate case on merits.

8. It is submitted that the lower authorities fell in error in making addition on account of difference in valuation of closing stock of Rs. 4,05,303/- and addition of loss of Rs. 33,90,756/- for failure of the assessee to satisfy the ingredients of section 68 of the Act. Therefore, it is submitted that the appellant has made various submissions before the CIT(A) as well as submitted documents like financial statement etc., before the CIT(A)/NFAC, which went un-noticed. In these circumstances, it is prayed that the order passed U/s.250 be set-aside.

9. On the other hand, the Ld. Sr. DR objects for remanding the matter back to the file of the National Faceless Appeal Centre as the appellant had not complied with the several hearing notices.

10. Having heard the rival submissions, we are of the considered opinion that the matter deserves to be remanded to the file of the CIT(A)/NFAC for fresh adjudication in accordance with law after affording a reasonable opportunity of being heard to the assessee-appellant.

11. In the result, appeal filed by the assessee is partly allowed.

12. With respect to ITA No. 401/Coch/2025 (AY 2017-18), since the quantum appeal of the assessee in ITA No. 402/Coch/2025, which is adjudicated in the above paragraphs of this order, is remitted back to the file of the CIT(A)-NFAC, the appeal filed by the assessee against the penalty order passed U/s. 270A is also remitted back to the file of the CIT(A)/NFAC.

13. The Stay Petition filed by the assessee in S.P. No. 55/Coch/2025 (AY 2017-18) stands dismissed.

Order pronounced in the open court on 30<sup>th</sup> June, 2025.

Sd/-

**(SONJOY SARMA)**  
**JUDICIAL MEMBER**

Sd/-

**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 30<sup>th</sup> June, 2025

*okk sps*

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar  
ITAT, Cochin