

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
KOLKATA-PATNA 'e-COURT', KOLKATA  
[Hybrid Court Hearing]**

**Before Shri Duvvuru RL Reddy, Vice-President (KZ)**

**I.T.A. No. 76/PAT/2025  
Assessment Year: 2015-2016**

***Creator Events Pvt. Limited,.....Appellant  
H. No. 123, Vijay Nagar,  
Rukunpura, Bailey Road,  
Patna-800014, Bihar  
[PAN:AAFCC3700R]***

**-Vs.-**

***Income Tax Officer,.....Respondent  
Ward-2(1), Patna,  
Jay Prakash Bhawan,  
Income Tax Department, Patna-800001, Bihar***

**Appearances by:**

*No one, appeared on behalf of the assessee*

*Shri Ashwani Kr. Singal, JCIT, appeared on behalf of  
the Revenue*

**Date of concluding the hearing: June 16, 2025**

**Date of pronouncing the order: July 22, 2025**

**O R D E R**

The present appeal is directed at the instance of assessee against the order of Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 29<sup>th</sup> December 2023 passed for Assessment Year 2015-16.

2. None appeared on behalf of the assessee at the time of hearing. Therefore, I have decided to dispose of the appeal after hearing the ld. Departmental Representative and perusing the material available on record.

3. Brief facts of the case are that the appellant-assessee is a Private Limited Company engaged in the business of service sector. The assessee filed its Return of Income for AY 2015-16 on 27.12.2016 showing total income nil and loss of current year to be carried forward of Rs. 6,25,465. The case was selected for Limited scrutiny under CASS to examine the issue of share application money. Subsequently, the assessment order was passed in this case u/s 143(3) of IT Act vide order dated 07.12.2017 at NIL Income and disallowing the claim of carry forward loss. Subsequently, the case of the assessee for AY 2015-16 was re-opened u/s 147 of the I.T. Act after obtaining approval of the competent authority. In view of the above and material available on record, an amount of Rs. 44,96,900/- being the value of purchase of vehicle by the assessee during FY 2014-15 relevant to AY 2015-16 has escaped assessment within the meaning of section 147 of the Income tax Act, 1961". Accordingly, notice u/s 148 of the IT Act was issued to the assessee on 31.03.2021. The assessee did not file any return in response to the notice issued to it u/s 148 of the Income tax Act. Subsequently, notice u/s 142(1) dated 22.07.2021 was issued to the assessee requesting to furnish certain details including details of purchase of Mercedes Benz Car during the FY 2014-15 along with source of purchase and all other relevant documents. The date of compliance was fixed on

06.08.2021. However, the assessee did not make any compliance. Subsequently, the case was transferred to National Faceless Assessment Centre New Delhi. However, the case again transferred to this office by NFAC on 11.03.2022 for completion of assessment. On perusal of case history notings of case in assessment module of ITBA, a reply of assessee dated NIL filed on 03.03.2022 was found. In its reply filed by the assessee on 03.03.2022 to NFAC, the assessee, on the issue of source of purchase of vehicle amounting to Rs. 44,96,900, claimed by that the same was purchased utilizing the funds received under the head Share application money pending allotment of Rs. 36,11,900. It has been further claimed by the assessee that purchase of aforesaid car has been examined by the then AO and accordingly assessment order was passed by him. It has further submitted that funds have been transfer from three subscriber (Share application) amounting to Rs.9,90,000/- in the books of the assessee company. The explanation filed by the assessee regarding source of purchase of car worth of Rs. 44,96,900 is not tenable. In its earlier reply, filed on 03.03.2022 through e-proceedings, the assessee stated that it received the amount of Rs. 2621900 from Sh. Mritunjay Kumar, on account of share application money which was directly deposited to the car company as claimed by the assessee in its submission. However, in instant reply, it is claiming that the company M/s Rudhraksha Engineering & Developers had earlier booked the car and after cancellation of booking of the said car by M/s Rudhraksha Engineering & Developers, the assessee Ms Creature Event Pvt. Ltd. has taken over the purchase invoice after paying cash to M/s Ruhraksha Engineering & Developers. In

respect of other three Share applicants/subscriber, it has been submitted by the assessee that money was received from them through fund transfer (NEFT) on account of Share application money worth of Rs. 9,90,000. In this regard, it is imperative to note that the receipt from these three people were not for examination in the present proceedings. The only issue is whether these receipts were utilized for purchase of the said car. The assessee was asked about the evidence of utilization of these money for the purchase of car vide aforesaid show-cause/draft assessment order. However, the assessee has not submitted anything to substantiate its claim in its submission filed on 24.03.2022. It is also not out of place to mention that the alleged share application money of Rs. 36,11,900, was received in FY 2013-14 relevant to AY 2014-15. Further, the assessee has also not explained or furnished any details of balance amount i.e. Rs. 8,84,100 though, it was asked to furnish details of source of balance payments to the car company. Getting no satisfactory reply from the end of the assessee, the ld. Assessing Officer determined the total taxable income of the assessee u/s 144 r.w.s 147 of the IT Act at Rs. 44,96,900/-. On being aggrieved, the assessee preferred an appeal before the ld. CIT(Appeals).

4. The ld. CIT(Appeals) dismissed the appeal of the assessee confirming the order of ld. Assessing Officer as the assessee failed to produce any documentary evidence in support of its claim.

5. On being aggrieved, the assessee preferred an appeal before the ITAT. It was the submission of the ld. Departmental

Representative that sufficient opportunity was being provided to the assessee. Therefore, the ld. CIT(Appeals) has no other option except dismissing the appeal and he pleaded to uphold the order passed by the ld. CIT(Appeals).

6. I have heard the ld. Departmental Representative and perused the material available on record. The ld. CIT(Appeals) dismissed the appeal of the assessee saying that the appellant is not interested in filing any details during the appellate proceedings and availed the opportunity under the Principles of Natural Justice. No further opportunity be provided as the appellant has already been granted 07 opportunities which shows that the appellant is a habitual non-compliant and had no regards for the statutory proceedings. The ld. CIT(Appeals) also relied on the judgment of the Hon'ble Bombay High Court in the case of M/s. Chemipol V/s. Union of India in Excise Appeal No.62 of 2009 , wherein it was held that in the cases where the assessee does not want to pursue the appeal, appellate authorities have inherent power to dismiss the appeal for non-prosecution. Similar view has been expressed in the case of Late Tukojirao Holkar (MP), 223 ITR 480. Likewise, in the case of CIT Vs. Multiplan India (P) Ltd. (38 ITD 320) (Del) similar view had been taken. The ld. CIT(Appeals), therefore, convinced that the assessee was not interested in prosecuting the appeal and, therefore, dismissed the appeal of the assessee as un-admitted”.

7. By considering the totality of the facts and circumstances and in order to ensure the principle of natural justice, I am of the view

that it is a fit case to provide one more opportunity to the assessee to decide the case on merit. Therefore, I remit the matter back to the file of Id. CIT(Appeals) with a direction to dispose of the appeal without any inference on the observations of earlier order passed by him and to decide it afresh on merit. At the same breath, I 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 of the case, based on the materials available on the record. Thus, the grounds raised by the assessee in the appeal are allowed for statistical purposes.

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

Order pronounced in the open Court on 22/07/2025.

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

***Kolkata, the 22<sup>nd</sup> day of July, 2025***

*Copies to :(1) Creator Events Pvt. Limited,  
H. No. 123, Vijay Nagar,  
Rukunpura, Bailey Road,  
Patna-800014, Bihar*

*(2) Income Tax Officer,  
Ward-2(1), Patna,  
Jay Prakash Bhawan,  
Income Tax Department, Patna-800001,  
Bihar*

*(3) CIT(A), NFAC, Delhi;*

- (4) CIT - , Kolkata;
- (5) The Departmental Representative;
- (6) Guard File

TRUE COPY

*By order*

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

***Laha/Sr. P.S.***