

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH "A", PUNE

BEFORE SHRI R. K. PANDA, VICE PRESIDENT  
AND  
SHRI VINAY BHAMORE, JUDICIAL MEMBER

ITA Nos.1560, 1561, 1562 & 1563/PUN/2025  
Assessment Years : 2018-19 & 2020-21

Karyon Healthy Co Forever LLP, D1 Block, Plot No.3B, 3 Part 25, CTS No.1, MIDC, Chinchwad, Pune- 411019. PAN : AAQFK7125G	Vs.	ITO, Ward-7(3), Pune.
Appellant		Respondent

Assessee by : Shri Abhilash Hiran  
Revenue by : Shri Deepak Kumar Kedia (Virtual)

Date of hearing : 14.10.2025  
Date of pronouncement : 16.10.2025

**आदेश / ORDER**

**PER BENCH :**

These bunch of four appeals filed by the assessee are directed against the separate orders dated 20.05.2025 and 04.06.2025 passed u/s 143(3) and 270A of the Act by Ld. CIT(A)/NFAC for the assessment years 2018-19 and 2020-21 respectively.

2. Since identical facts and common issues are involved in all the above captioned four appeals as per respective grounds of

appeal emanate from records, we proceed to dispose of the same by this common order.

3. First, we shall take up appeal of the assessee in ITA No.1561/PUN2025 for A.Y. 2018-19 for adjudication involving the issue of quantum.

**ITA No.1561/PUN/2025, A.Y 2018-19 :**

4. Facts of the case, in brief, are that the assessee is a firm and filed the return of income on 05.11.2018 declaring total income of Rs.9,23,500/- and claimed Rs.5,46,84,920/- as member incentive and stockist incentive expenses during the year under consideration. The said return was processed and accordingly an intimation u/s 143(1) of the Act was issued on 13.12.2018. The case was selected for scrutiny and statutory notices u/s 142(1) were issued to the assessee. After considering the submission of the assessee, the Assessing Officer disallowed the commission expenses based on the average commission paid of the last two years. Accordingly, the Assessing Officer completed the assessment u/s 143(3) r.w.s. 144B of the Act by determining the total income of the assessee at Rs.66,30,919/- as against the income returned by the assessee at Rs.9,23,500/-. The above

assessed income includes disallowance of commission expenses of Rs.57,07,419/-. Subsequently, the Assessing Officer initiated penalty proceedings u/s 270A of the Act.

5. Being aggrieved with the above assessment order, an appeal was filed before Ld. CIT(A)/NFAC. After considering the submission and documents furnished by the assessee, Ld. CIT(A)/NFAC dismissed the appeal of the assessee on technical ground of not furnishing any application with regard to admission of additional evidences in terms of Rule 46A. Accordingly, Ld. CIT(A)/NFAC in the absence of application/request by the assessee to permit him to rely on additional evidences, dismissed the appeal of the assessee.

6. It is this order against which the assessee is in appeal before this Tribunal.

7. Ld. AR appearing from the side of the assessee submitted before us that the order passed by Ld. CIT(A)/NFAC is unjustified. Ld. AR submitted before us that various documents were already filed before the Assessing Officer during the course of assessment proceedings, however certain documents remained to be furnished before the Assessing Officer and therefore those documents were furnished before Ld. CIT(A)/NFAC. Ld. AR submitted before us

that due to inadvertent error while filling Form No.35 in respective column the details of additional documents could not be mentioned. Ld. AR accordingly submitted that Ld. CIT(A)/NFAC ought to have issued a show-cause notice to the assessee to make the appeal good. However, Ld. CIT(A)/NFAC without issuing any notice or without providing any opportunity of hearing to the assessee in this regard straightaway dismissed the appeal filed by the assessee which is clear cut violation of principles of natural justice. Ld. AR accordingly requested before the Bench to set-aside the order passed by Ld. CIT(A)/NFAC with a request to direct Ld. CIT(A)/NFAC to provide one opportunity of hearing to the assessee to substantiate the grounds of appeal on merits.

8. Ld. DR appearing from side of the Revenue relied on the orders passed by the subordinate authorities and requested to confirm the same.

9. We have heard Ld. Counsels from both the sides and perused the material available on record. In this regard, we find that Ld. CIT(A)/NFAC has dismissed the appeal filed by the assessee merely on technical ground. We find that due to typographical inadvertent error in Form No.35 first appeal memo with regard to reliance on additional evidences/documents 'No' was mentioned

instead of detail of documents. In this regard, Ld. CIT(A)/NFAC was of the view that the Assessing Officer has provided proper opportunities to the assessee to produce relevant documents/evidences, however the assessee failed to produce such documents before the Assessing Officer and now furnishing all such additional documents before him without filing any application in terms of Rule 46A of the Rules. According to Ld. CIT(A)/NFAC, even in Form No.35 nothing was mentioned in this regard. Therefore, Ld. CIT(A)/NFAC dismissed the appeal filed by the assessee on technical ground without going into merits of the case.

10. Considering the totality of the facts of the case and in the interest of justice, we are of the considered opinion that Ld. CIT(A)/NFAC should have issued a show-cause notice to the assessee before dismissing the appeal on technical ground. Therefore, we deem it appropriate to set-aside the order passed by Ld. CIT(A)/NFAC and remand the matter back to him with a direction to treat the appeal good and decide the appeal afresh on merits of the case and as per fact and law after providing reasonable opportunity of hearing to the assessee. The assessee is also hereby directed to respond to the notices issued by Ld.

CIT(A)/NFAC in this regard and produce the additional evidences/documents/submissions, if any, without taking any adjournment under any pretext, otherwise Ld. CIT(A)/NFAC shall be at liberty to pass appropriate order as per law. Thus, the grounds of appeal filed by the assessee are allowed for statistical purposes.

11. In the result, the appeal filed by the assessee in ITA No.1561/PUN/2025 for A.Y. 2018-19 is allowed for statistical purposes.

**ITA No.1563/PUN/2025, A.Y. 2020-21:**

12. Since the facts and issues involved in the appeal of the assessee for the assessment year 2018-19 are identical to the facts of the case for assessment year 2020-21, therefore, our decision in ITA No.1561/PUN/2025 for A.Y. 2018-19 shall apply *mutatis mutandis* to this appeal of the assessee in ITA No.1563/PUN/2025 for A.Y. 2020-21. Accordingly, the appeal of the assessee in ITA No.1563/PUN/2025 for A.Y. 2020-21 is also allowed for statistical purposes.

**ITA No.1560/PUN/2025, A.Y. 2018-19:**

13. The issue involves in this appeal is levy of penalty u/s 270A of the Act levied by the Assessing Officer and confirmed by Ld. CIT(A)/NFAC. Since we have set-aside the order passed by Ld. CIT(A)/NFAC in quantum case with a direction to decide the appeal afresh on merits of the case after providing reasonable opportunity of hearing, therefore, the issue of penalty u/s 270A of the Act is also set-aside with a direction to decide the penalty appeal afresh upon disposal of quantum appeal. Accordingly, the appeal in ITA No.1560/PUN/2025 for A.Y. 2018-19 involving the issue of penalty u/s 270A of the Act is also allowed for statistical purposes.

**ITA No.1562/PUN/2025, A.Y. 2020-21:**

14. Since the facts and issues involved in the appeal of the assessee for the assessment year 2018-19 are identical to the facts of the case for assessment year 2020-21, therefore, our decision in ITA No.1560/PUN/2025 for A.Y. 2018-19 involving the issue of penalty u/s 270A of the Act shall apply *mutatis mutandis* to this appeal of the assessee in ITA No.1562/PUN/2025 for A.Y. 2020-21. Accordingly, the appeal of the assessee in ITA

No.1562/PUN/2025 for A.Y. 2020-21 involving the issue of penalty u/s 270A of the Act is also allowed for statistical purposes.

15. To sum up, all the above captioned four appeals filed by the assessee are allowed for statistical purposes.

Order pronounced on this 16<sup>th</sup> day of October, 2025.

Sd/-  
**(R. K. PANDA)**  
**VICE PRESIDENT**

Sd/-  
**(VINAY BHAMORE)**  
**JUDICIAL MEMBER**

पुणे / Pune; दिनांक / Dated : 16<sup>th</sup> October, 2025.

*Sujeet*

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "A" बेंच, पुणे / DR, ITAT, "A" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary  
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.