

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, NAGPUR
BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA no.575/NAG/2025
(Assessment Year :2019-20)

Ganesh Puranchand Agrawal,
120, Chikli Layout,
Kalamna MarketRoad,
Nagpur-440008,
Maharashtra.
PAN – AFYPA6620B

..... Appellant

v/s

Income Tax Officer
Ward-4(1),
Nagpur-440008,
Maharashtra.

..... Respondent

Assessee by: Shri.Abhishek Kumar.AR
Revenue by :Shri.Surjit Kumar Saha.Sr.DR

Date of Hearing – 17/10/2025

Date of Order –17/10/2025

ORDER

The assessee has filed the appeal against the order dated 18/08/2025, passed by the CIT(A)/National Faceless Appeal Centre(NFAC) Delhi, u/sec 147 and u/sec 250 of the Income Tax Act, 1961 (for short "*the Act*") for the A.Y. 2019-20. The assessee has raised the following grounds of appeal:-

"1. Whether the Hon'ble CIT(A) in facts and law is justified in affirming an order under Sec 147 r.w.s. 144B of the Income Tax Act.

2. Whether the Hon'ble CIT(A) is justified in law and fact in affirming addition to the tune of Rs. 25,61,869/ as unexplained expenditure u/s 69C of the Act

3. Whether Hon'ble CIT(A) is justified in law and fact in affirming that the purchases made from Shri Vijay Madhukar Harde (Prop of Pyramid

Corporation) to be bogus to the extent of Rs. 25,61,869/ vide its order passed u/s 147 r.w.s. 144B dated 19/01/2024 for the year under consideration.

4. Whether the Hon'ble CIT(A) is justified in not making addition to the tune of profit embedded in the transaction.

5. Whether Hon'ble CIT(A) is justified in affirming an order in breach of principle of natural justice or cross examination.

6. Whether the Hon'ble CIT(A) is justified in affirming charge of interest u/s 234A, 234B&234C and fees for default in furnishing return of income u/s 234F of the IT Act 1961.

7. Whether the Hon'ble CIT(A) is justified in law and fact in affirming a penalty proceeding under Sec. 271AAC(1) of the Income Tax Act, 1961.

8. The appellant craves leave to add, alter, modify and withdraw any grounds before or during the course of appellate proceedings."

2. The brief facts of the case are that, the assessee is engaged in the business of ferrous & non ferrous metals and scrap. The assessee has filed the return of income for the A.Y. 2019-20 disclosing a total income of Rs.7,97,740/- on 13/12/2019. The Assessing Officer has received information from the GST Authorities that the assessee has obtained bogus purchases from M/s Pyramid Corporation in the F.Y.2018-19. The Assessing Officer has reason to believe that the income has escaped assessment and issued notice u/sec148 of the Act and in compliance to this notice, the assessee filed return of income disclosing a total income of Rs.7,97,740/- on 29/04/2023. Subsequently, notice u/sec143(2) and u/sec142(1) of the Act are issued on the assessee to explain the genuineness of purchase transactions aggregating to Rs.25,61,869/- including the GST with financial statements, invoice, copies of bank

transactions and transportation details and delivery challans. The assessee has filed details from time to time in the assessment proceedings which were dealt by the Assessing Officer. Further, the Assessing Officer has issued notice u/sec 133(6) of the Act on the supplier of goods to the assessee and obtained the ledger account. Whereas, the Assessing Officer dealt on the facts, statements and judicial decisions and came to the conclusion that the assessee could not substantiate the genuineness of the transactions and made the addition of unexplained expenditure u/sec 69C of Rs.25,61,869/- and assessed the total income of Rs.33,59,609/- and passed the order u/sec147r.w.s.144B dated 19/01/2024. Aggrieved by the order, the assessee has filed the appeal before the CIT(A).

3. In the appellate proceedings, the CIT(A) has considered the grounds of appeal, statement of facts, submissions and findings of the Assessing Officer but has confirmed the action of the assessing officer and dismissed the assessee appeal. The assessee being aggrieved filed appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in sustaining the disallowance of purchases overlooking the facts, submissions and information submitted during the assessment proceedings. Further, the Id.AR emphasized that the assessee in the appellate proceedings has filed the documentary evidence on 22/04/2024

before the CIT(A) which has a bearing in the decision making and the same was not dealt by the CIT(A). The Ld.AR prayed for an opportunity to substantiate the purchase transactions with evidences before the lower authorities. Per-contra, the Ld.DR supported the order of the CIT(A).

5. Heard the rival submissions and perused the material on record. Prima-facie, the sole grievance of the assessee that the learned CIT(A) has dismissed the appeal by not considering the documentary evidence filed during the appellate proceedings. The Ld.AR demonstrated the acknowledgement of reply filed before the CIT(A) through E- Portal on 22/04/2024 along with written submissions, transport confirmation letter and transport bills placed at page 3 to 28 of the paper book. Therefore, considering the facts, circumstances, evidence and submissions of the assessee to meet the ends of justice, the assessee should be provided with one more opportunity for hearing. Accordingly, the order of the CIT(A) is set aside and restore the disputed issues to the file of the CIT(A) to adjudicate issues afresh on merits and the assessee should be provided adequate opportunity of hearing and the assessee should co-operate in submitting the information for early disposal of appeal. And the grounds of appeals of the assessee are allowed for statistical purposes

6. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 17/10/2025 as per rule 34(5) of the ITAT Rules 1963

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Nagpur; and*
- (5) *Guard file.*

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur