

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "E": NEW DELHI
BEFORE SHRI VIMAL KUMAR, JUDICIAL MEMBER
AND
MS RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 5148/Del/2025
(Assessment Year: 2017-18)**

Prashant Sethi, 65-C, J Block, Phase-1, Ashok Vihar, Ashok Vihar H. O., Ashok Vihar, North- west Delhi- 110052, Delhi (Appellant) PAN: AMJPS5673C	Vs.	ITO, National Faceless Assessment Centre, Ward-36(1), New Delhi (Respondent)
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Assessee by :	None
Revenue by:	Ms. Ankush Kalra, Sr. DR
Date of Hearing	16/12/2025
Date of pronouncement	16/12/2025

ORDER

PER RENU JAUHRI, AM:

1. This appeal is filed by the assessee against the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as "CIT(A)"] dated 26.06.2025 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as "Act"] for Assessment Year [A.Y.] 2017-18.

2. The assessee has raised the following grounds of appeal:-

"1. On the facts and circumstances of the case, the Ld. CIT(A) has erred both in law and on facts by sustaining the addition of Rs. 4,54,52,796/-u/s 68 of the Act in the hands of the Appellant, which is erroneous and not in accordance with the law, hence the same is liable to be annulled.

2. On the facts and circumstances of the case, the Ld. CIT(A) erred in law and on the facts by disregarding the fact that Id. AO had wrongly assumed jurisdiction over the appellant u/s 148/147 of the Act, rendering the entire proceedings without jurisdiction and invalid in law.

3. *On the facts and circumstances of the case, the Ld. CIT(A) erred in law and on the facts by disregarding the fact that the notice issued u/s 148 of the Income Tax Act, 1961 and all the consequential proceedings are barred by limitation on account of the decision pronounced by the Hon'ble Supreme Court in the case of Union of India v. Rajeev Bansal Civil Appeal No. 8629 of 2024 rendering the entire proceeding non-est and the reassessment notice liable to be quashed.*

4. *On the facts and circumstances of the case, the Ld. CIT(A) has erred in law and on facts by sustaining the addition made by the Id. AO of Rs. 4,13,72,796/- u/s 68 of the Act on an entirely wrong and incorrect fact, i.e., a non-existent transaction, rendering the entire proceedings invalid in law.*

5. *On the facts and circumstances of the case, the Ld. CIT(A) has erred in law and on facts by sustaining the addition made by the Id. AO of Rs. 4,13,72,796/- u/s 68 of the Act when no exempt income u/s 10(38) of the Act has been claimed by the appellant in his ITR making the addition liable to be deleted.*

6. *On the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts by sustaining the addition of Rs. 40,80,000/- on account of loss claimed by the appellant from trading in a scrip u/s 68 of the Act, which is illegal, arbitrary, and liable to be set aside.*

7. *On the facts and circumstances of the case, the Ld. CIT(A) has erred in law and on facts by failing to consider the fact that no blacklisting order or restraining order was issued by SEBI against the trading of shares of the alleged company.*

8. *On the facts and circumstances of the case, the Ld. CIT(A) erred in law and on facts by sustaining the additions made by the Ld. AO without providing an effective opportunity of being heard to the Appellant, rendering the entire proceedings bad-in-law.*

9. *That the Appellant craves to leave to add/alter any / all grounds of appeal before or at the time of hearing of the appeal."*

3. Brief fact of the case of the assessee is that the assessee filed return of income for AY 2017-18 on 31.10.2017 declaring Nil income. Subsequently, based on the information available on Insite Portal of the department regarding bogus loss taken by the assessee amounting to Rs. 40,80,000/-. The case was reopened and notice u/s 148 was issued on 12.07.2022. The assessee furnished only partial details in response to the notices issued by the Id AO, based on

which the assessment was completed u/s 147 r.w.s. 144 r.w.s. 144B dated 26.05.2023 at an income of Rs. 4,35,46,695/-.

4. Aggrieved, the assessee preferred an appeal before the Id CIT(A). Since, no compliance was made in response to the notice issued by the Id CIT(A), the appeal was dismissed ex parte vide order dated 26.06.2025. Aggrieved further the assessee is in appeal before the Tribunal.

5. On the date of hearing none was present on behalf of the assessee. After hearing the Id DR and on perusal of the materials available on record, we find that the order of the Id CIT(A) is ex parte and no effective opportunity of being heard has been provided to the assessee as submitted in the grounds of appeal. Accordingly, in the interest of justice, we hereby set aside the order of the Id CIT(A) for fresh adjudication on merits after providing due opportunity to the assessee of being heard. The assessee is also directed to be vigilant and made requisite compliance before the Id CIT(A).

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

Order pronounced in the open court on 16/12/2025.

-Sd/-
(VIMAL KUMAR)
JUDICIAL MEMBER

-Sd/-
(RENU JAUHRI)
ACCOUNTANT MEMBER

Dated: 18/12/2025
A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi