

**IN THE INCOME TAX APPELLATE TRIBUNAL
“E” BENCH MUMBAI**

**BEFORE SHRI ANIKESH BANERJEE, JUDICIAL MEMBER &
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER**

**ITA No. 7393/Mum/2025
(Assessment Year: 2019-20)**

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**ITA No. 7395/Mum/2025
(Assessment Year: 2021-22)**

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**ITA No. 7396/Mum/2025
(Assessment Year: 2022-23)**

Harvest Agriculture Private Limited 104 Natwar Chambers 94 Nagindas Master Road Fort, Mumbai- 400023	Vs.	ITO Ward 2(1)(3) Aayakar Bhavan, Mumbai-400 020
PAN/GIR No. AABCH6761P		
(Applicant)		(Respondent)

Assessee by	Ms. Ridhisha Jain, CA
Revenue by	Shri Hemanshu Joshi, SR. DR

Date of Hearing	20.01.2026
Date of Pronouncement	21.01.2026

आदेश / ORDER

PER MAKARAND VASANT MAHADEOKAR, AM:

These three appeals are preferred by the assessee against separate orders passed by the Commissioner of Income-tax

(Appeals), National Faceless Appeal Centre, Delhi [hereinafter referred to as "CIT(A)"], for Assessment Years 2019–20, 2021–22 and 2022–23. Since the issues involved, the factual background, and the modus adopted by the Assessing Officer are substantially identical, all the appeals were heard together and are being disposed of by this consolidated order for the sake of convenience.

Facts of the Case

2. The assessee is a private limited company assessed in the status of a company. For the years under consideration, the assessments were originally completed under section 143(1) of the Income-tax Act, 1961. Subsequently, information was received from the Investigation Wing, Mumbai, based on a search and survey action conducted on 08.12.2021 in the case of Invent Assets Securitisation and Reconstruction Pvt. Ltd. and its group concerns. On the basis of such information, the Assessing Officer formed a view that the assessee was allegedly used as a conduit for routing funds connected with the Invent Group and certain borrower or interested groups. Relying upon the said information, the Assessing Officer initiated reassessment proceedings for all the three years by issuing notices under section 148 of the Act, after following the procedure contemplated under section 148A and obtaining the approval of the specified authority. The reassessments were ultimately completed under section 147 of the Act.

3. In the reassessment orders, the Assessing Officer analysed the bank statements of the assessee and observed that, according to him, there were no independent business transactions and that the funds received by the assessee were routed from entities allegedly connected with the Invent Group and Sanjivani Parenteral Limited. On that basis, the Assessing Officer treated the loans advanced or received, as the case may be, along with interest component, as unexplained cash credits under section 68 of the Act and made additions accordingly. Consequential penalty proceedings under section 271AAC(1) were also initiated, and interest under sections 234A, 234B, 234C and 234D was charged.

4. During the reassessment proceedings, the assessee explained that the impugned transactions were duly recorded in its books of account, carried out through banking channels, and supported by confirmations, bank statements and other documentary evidences. It was submitted that the loans and advances were genuine, that interest was offered to tax, and that no addition was warranted under section 68 of the Act merely on the basis of third-party information received from the Investigation Wing. The Assessing Officer, however, was not satisfied with the explanations furnished and proceeded to make additions as discussed above.

5. Aggrieved by the reassessment orders, the assessee carried the matter in appeal before the CIT(A). The CIT(A) issued multiple

notices under section 250 of the Act for all the three years. As recorded in the appellate orders, the assessee sought adjournments on various occasions but did not ultimately file written submissions or supporting material on merits before the CIT(A). The CIT(A) treated the appeals as having been effectively not prosecuted and proceeded to dispose of the appeals ex parte. The CIT(A) observed that sufficient opportunities had been granted to the assessee and that, in the absence of any rebuttal, the findings of the Assessing Officer remained uncontroverted. On this basis, the CIT(A) declined to interfere with the reassessment orders passed under section 147 and dismissed the appeals for all the three years.

6. Year-wise particulars of the assessment as emerging from the assessment orders are tabulated as below for the sake of clarity:

Particulars	A.Y. 2019-20	A.Y. 2021-22	A.Y. 2022-23
Date of filing original return of income	31.03.2017	04.03.2022	14.10.2022
Returned income / loss	Loss of Rs. 6,38,346/- And Book Profit as per section 115JB of the Act of Rs. 3,82,823/-	Income of Rs. 19,99,780/-	Loss of Rs. 16,52,077/-
Date of notice u/s 148	31.03.2023	28.02.2024	28.02.2024
Section under which	147	147	147

assessment completed			
Date of assessment order	12.03.2024	26.03.2025	26.03.2025
Addition made by AO	Rs. 81,00,000/-	Rs. 8,73,83,182/-	Rs. 9,36,39,309/-
Section under which addition made	68	68	68
Nature of addition	Unsecured loan of Rs. 75,00,000/- and interest of Rs. 6,00,000/- treated as unexplained	Unsecured loan of Rs. 8,50,00,000/- and interest of Rs. 23,83,182/- treated as unexplained	Loan/repayment aggregating to Rs. 9,25,00,000/- and interest of Rs. 11,39,309/- treated as unexplained
Date of order of CIT(A)	04.11.2025	10.11.2025	10.11.2025

7. Against the aforesaid orders of the CIT(A), the assessee is in appeal before us. On perusal of the grounds of appeal for all the three assessment years, it is observed that the grounds are common and identically worded, raising challenge to the ex parte disposal by the CIT(A), validity of reopening under section 148, confirmation of additions under section 68 and consequential penalty proceedings, the only variation being the quantum of addition and interest component involved in the respective years.

For the sake of convenience, we reproduce grounds for **A.Y.**

2019-20 in ITA No. ITA 7393/MUM/2025:

“1. On the facts & in the circumstances of the case and in law the Hon’ble CIT (A) erred in not providing an opportunity even though an application for adjournment was filed giving the reason of tax audit and passed an ex parte order u/s 250 of the Act dismissing the appeal whereby confirmed the addition made by the Ld AO and the reasons assigned for doing so are wrong and contrary to the provisions of Income Tax Act 1961 and rules made thereunder.

2. On the facts and in the circumstances of the case and in law, the Hon'ble CIT(A) erred in upholding validity of issuing notice under section 148 of the IT Act 1961 by the Ld AO and the reasons assigned for doing so are wrong and contrary to the provision of Income Tax Act 1961 and rules made there under.

3. On the facts and in the circumstances of the case and in law the Hon'ble CIT(A) erred in not deciding the issues on merit and upheld the addition made by Ld AO of Rs.81,00,000/- comprising of Rs.75,00,000/- being the loans & advances given by the appellant company as unsecured loan and Rs.6,00,000/- being interest received thereon, to the returned income by wrongly treating the same as unexplained cash credit u/s 68 of the IT act 1961 and the reason assigned for doing so are wrong and contrary to the Provisions of Income Tax Act 1961 and rules made there under.

4. On the facts and in the circumstances of the case and in law, the Hon'ble CIT(A) erred in upholding the penalty initiated by the Ld AO u/s. 271AAC(1) of the IT Act 1961 and the reasons assigned for doing so are wrong and contrary to the provision of Income Tax Act and rules made there under.

5. Your Appellant crave, leave to add, alter, amend or modify any or all grounds of appeal on or before the date of hearing."

8. The learned Authorised Representative (AR) of the assessee submitted that the appeals before the learned CIT(A) came to be disposed of ex parte. It was explained that during the relevant period, the assessee as well as its counsel were engaged in the audit and finalisation of accounts and in compliance relating to filing of returns of income. Due to the said circumstances, the assessee could not effectively respond to the notices issued by the learned CIT(A), as recorded in the appellate orders. The learned AR submitted that the non-compliance was neither deliberate nor intentional.

9. It was further submitted that the assessee is now fully prepared with all relevant information, evidences and explanations in support of its claims and is desirous of placing

the same on record. The learned AR, therefore, requested that one more opportunity be granted to the assessee and that the matters be restored to the file of the learned CIT(A) for fresh adjudication on merits after providing reasonable opportunity of being heard.

The learned Departmental Representative, on the other hand, fairly submitted that the orders of the learned CIT(A) for all the three assessment years were passed ex parte. Considering this factual position, the learned Departmental Representative raised no objection to the request of the assessee for restoration of the matters to the file of the learned CIT(A) for de novo adjudication in accordance with law.

10. We have considered the rival submissions and perused the material available on record. It is an admitted position that the appeals before the learned CIT(A) for all the three assessment years were disposed of ex parte, without adjudication of the issues on merits. At the same time, it is also evident from the record that the assessee did not effectively respond to the notices issued by the learned CIT(A), resulting in non-prosecution of the appeals at the first appellate stage.

11. While we are inclined to accept the submission of the learned Authorised Representative that the assessee should be afforded one more opportunity in the interest of substantial justice, we cannot be unmindful of the fact that the assessee failed to diligently pursue its statutory remedy before the learned CIT(A). The appellate proceedings before the CIT(A) are an

important stage in the scheme of the Act, and casual or indifferent approach in responding to notices not only delays adjudication but also results in avoidable litigation before the Tribunal.

12. Accordingly, with a view to balance the principles of natural justice with the need to ensure procedural discipline, and while expressing our displeasure over the conduct of the assessee in not effectively prosecuting the appeals before the learned CIT(A), we deem it appropriate to restore the matters back to the file of the learned CIT(A) for fresh adjudication on merits, subject to imposition of cost.

13. We, therefore, set aside the impugned orders of the learned CIT(A) for A.Ys. 2019–20, 2021–22 and 2022–23 and restore the matters to the file of the learned CIT(A) with a direction to decide the appeals afresh on merits, in accordance with law, after affording reasonable opportunity of being heard to the assessee.

14. As a measure of deterrence against such lapses and to compensate the administrative machinery for avoidable proceedings, we direct the assessee to pay a cost of Rs. 2,000/- per appeal, aggregating to Rs. 6,000/-, to the credit of the Income-tax Department. The said cost shall be paid within 30 days from the date of receipt of this order and proof of such payment shall be furnished before the learned CIT(A) at the time

of hearing. Failure to comply with this direction shall entitle the learned CIT(A) to proceed in accordance with law.

15. We further caution the assessee to extend full cooperation in the remand proceedings and to refrain from seeking unnecessary adjournments. It is made clear that the learned CIT(A) shall be at liberty to decide the appeals on the basis of material available on record, in accordance with law, in case of any non-cooperation on the part of the assessee.

16. With these directions, the appeals of the assessee for all the three assessment years are allowed for statistical purposes.

Order pronounced in the open court on 21.01.2026.

Sd/-
(ANIKESH BANERJEE)
JUDICIAL MEMBER

Sd/-
(MAKARAND VASANT MAHADEOKAR)
ACCOUNTANT MEMBER

Mumbai, Dated 21/01/2026
Disha Raut, Stenographer

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई/ ITAT, Mumbai