

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'A', NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE PRESIDENT
&
MRS. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

ITA No. 2280/DEL/2025; Assessment Year: 2018-19

Myth Media Solution Pvt. Ltd. R.D. Gaur F7, Sector-27 Gautam Budh Nagar Noida-201301 Uttar Pradesh	Vs	AO Assessment Unit Income Tax Department
(APPELLANT)		(RESPONDENT)
PAN No. AAGCM8817Q		

Assessee by : Sh. Arvind Kumar Raj, CA
Sh. Subrat Halder

Revenue/Department by : Shri A.K. Arora, Sr. DR

Date of Hearing: 19.01.2026	Date of Pronouncement: 19.01.2026
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ORDER

PER RENU JAUHRI :

The above captioned appeal is preferred by the Revenue against the order dated 12.04.2024, passed by Ld. CIT/NFAC, Delhi u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act").

2. At the threshold, it is noted that the appeal is time-barred by 360 days. The assessee has filed an application for condonation of delay submitting that the

order sent by registered mail by Ld. CIT(A) was not delivered and the then counsel also did not give proper guidance to the assessee. Hence, the delay was unintentional and due to *bonafide* reasons. After hearing both the parties, we are inclined to condone the delay holding it to be due to genuine reasons.

3. The assessee has raised several grounds of appeal which are reproduced below:

“1. Erroneous Upholding of Addition under Section 37(1):

The Ld. CIT(A) erred in law and on facts in upholding the AO's disallowance of Rs. 2,58,08,041/- as bogus purchases under Section 37(1) of the Act, despite the Appellant having furnished cogent evidence proving the genuineness of the transactions.

2. Failure to Appreciate Documentary Evidence:

The Ld. CIT(A) failed to appreciate that the Appellant had submitted comprehensive evidence during the assessment and appellate proceedings, including:

- *Copies of supplier accounts,*
- *Details of payments made through banking channels,*
- *Bank statements reflecting payments to the suppliers,*
- *GST returns (GSTR-1 and GSTR-3B),*
- *Tax invoices, and*
- *Proof of TDS deducted and deposited, duly reflected in Form 26AS of the suppliers.*
- *These documents establish the identity, creditworthiness, and genuineness of the transactions, which were ignored by both the AO and Ld. CIT(A).*

3. Incorrect Reliance on GST Cancellation:

The Ld. CIT(A) erred in upholding the disallowance based on the cancellation of GSTINS of the suppliers, which occurred subsequent to FY 2017-18 (relevant to AY 2018-19). The GST department had accepted the sales by these suppliers during FY 2017-18, and the subsequent cancellation does not render the Appellant's purchases non-genuine.

4. Violation of Principles of Natural Justice:

The Ld. CIT(A) erred in concluding that the Appellant failed to discharge its onus, despite the Appellant not being provided adequate opportunity to rebut the findings of the Verification Unit or the non-response to notices under Section 133(6) by third parties, over which the Appellant has no control. Punishing the Appellant for the actions or inactions of suppliers violates the principles of natural justice.

5. Misapplication of Judicial Precedents:

The Ld. CIT (A) misapplied the judgments of the Hon'ble Supreme Court in State of Kamataka vs. Ecom Gill Coffee Trading Pvt. Ltd. and Chuharmal vs. CIT, as the Appellant has discharged its primary onus by providing documentary evidence of genuine transactions, including payment through banking channels and tax compliance, unlike the facts of the cited cases.

6. Ignoring Economic Reality of Transactions:

The Ld. CIT(A) failed to consider that disallowance of purchases worth Rs. 2,58,08,041/- results in an abnormally high Gross Profit/Net Profit ratio, inconsistent with the Appellant's historical performance and industry norms, indicating an arbitrary and unrealistic assessment.

7. Double Taxation on Same Transactions:

The Ld. CIT(A) erred in ignoring that TDS was deducted and deposited on payments to some suppliers, accepted by the Income Tax Department, and reflected in their Form 26AS. Disallowing the corresponding expenditure amounts to double taxation on the same transaction, which is unjust and contrary to law.

8. Additional Evidence:

The Appellant craves leave to submit additional evidence under Rule 29 of the Income Tax (Appellate Tribunal) Rules, 1963, including delivery challans, transport receipts, and further bank records, to substantiate the physical movement of goods and genuineness of the transactions, which were not adequately considered by the lower authorities.

9. General Ground:

The Appellant reserves the right to add, amend, or modify any ground of appeal during the course of proceedings before this Hon'ble Tribunal."

4. Brief facts of the case are that the assessee company had filed original return declaring income of Rs. 39,21,680/-. Return was processed u/s 143(1) and income as per intimation was determined at Rs. 41,13,210/-. Subsequently, on receipt of information regarding GST evasion by the assessee by utilization of ITC through fake invoices issued by M/s Star Traders, the case of the assessee was reopened by the Ld. AO and notice u/s 148 was issued. The assessee did not make any compliance to the notices issued by the Ld. AO. Hence assessment was completed u/s 147 r.w.s 144 r.w.s 144B at an income of Rs. 2,99,21,251/- vide order dated 15.03.2023. Aggrieved, the assessee preferred an appeal before the Ld. CIT(A).

4.1 The appeal was dismissed as the assessee failed to furnish complete details/evidences sought by Ld. CIT(A). Further aggrieved, the assessee is in appeal before the Tribunal.

5. Before us, Ld. AR sought to file additional evidences in the form of delivery challans, transport receipts etc to establish the genuineness of the impugned transactions. He has therefore requested for setting aside the order of Ld. CIT(A) for fresh adjudication. Ld. DR has not controverted the above said proposition.

6. After hearing both the parties and in the interest of justice, we deem it appropriate to restore the matter to Ld. CIT(A) for fresh adjudication on merits after giving reasonable opportunity to the assessee.

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

Order pronounced in the Open Court on 19-01-2026.

Sd/-
(MAHAVIR SINGH)
VICE PRESIDENT

Sd/-
(RENU JAUHRI)
ACCOUNTANT MEMBER

Dated: 22.01.2026

Pooja Mittal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi