

**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. 6371/DEL/2025; Assessment Year: 2017-18

ACIT Circle-10(1)	Vs	M/s Hero Ecotech Limited Phase Viii, -, Chandigarh Road Focal Point Mangli, Ludhiana- 141010 Punjab
(APPELLANT)		(RESPONDENT)
PAN No. AACCH1308R		

Assessee by : None

Revenue/Department by : Shri Ajay Kumar Arora, Sr. DR

Date of Hearing: 20.01.2026	Date of Pronouncement: 20.01.2026
-----------------------------	-----------------------------------

ORDER

PER RENU JAUHRI :

1. The above captioned appeal is filed by the revenue is preferred against the order of Ld. CIT(A)/NFAC, New Delhi passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act") dated 22.07.2025 in Appeal No. CIT(A), Delhi- 4/10442/2019-20.
2. At the threshold, it is noted that the appeal is time-barred by 8 days. Revenue has submitted an affidavit for condonation of delay. Considering the reasons mentioned therein, we hereby condone the minor delay of 8 days in filing of the appeal.

3. The assessee has raised following grounds of appeal:

- “1. The Ld. CTT(A) has erred on the facts and in law in deleting the addition of Rs. 21,82,21,201/-made under Section 69C read with Section 115BBE of the Income-tax Act. 1961, by accepting the payments towards professional and technical services allowable expenses, despite the Assessee's failure to substantiate the same with supporting evidences and third-party confirmations to establish the genuineness of such expenses.
2. The Ld. CII(A) erred in law and on facts in deleting the addition made by the Assessing Officer under Section 69C read with Section 115BBE, without appreciating that the assessee failed to discharge the primary onus of proving the genuineness of the professional and technical payments. The CII(A) erroneously relied on precedents pertaining to Section 68 (cash credits) while ignoring that the assessee failed to provide cogent evidence of actual services rendered, especially when none of the 13 third parties responded to notices under Section 133(6). This error is contrary to the mandatory requirement established by the Hon'ble Bombay High Court in *PCT v. Kanak Impex (India) Ltd. [2025] 172 taxmann.com 283*, which holds that mere submission of financial documents is insufficient to prove the expenditure's authenticity.
3. The Ld. CTT(A) has erred on the facts and in law in not exercising the powers vested under Section 250(4) of the Act to direct the Assessing Officer to conduct further inquiries into the genuineness of the impugned expenses. Instead, the Ld. CIT(A) decided the appeal in favour of the Assessee by relying on procedural and technical grounds, thereby violating the principles of natural justice in respect of the Revenue.
4. The Appellant craves leave to add, amend, modify, or withdraw any of the aforesaid grounds of appeal at any time before or during the course of the hearing?”

4. Brief facts of the case are that the assessee filed return for A.Y. 2017-18 on 30.10.2017, declaring an income of Rs. 25,74,08,100/-. Subsequently, revised return was filed on 15.12.2018, declaring an income of Rs. 25,94,86,405/-. The case was selected for scrutiny and during the course of proceedings, Ld. AO noted that the assessee had paid Rs. 1,82,21,201/- as payment for professional and technical services during the year. In order to verify the claim of assessee, notices

u/ 133(6) were issued to 13 parties but none of the parties responded to these notices. Ld. AO, therefore, held that the assessee had booked bogus expenditure on account of payment made towards professional and technical services. He disallowed the same and added the total amount of Rs. 1,82,21,201/- u/s 69C r.w.s 115BBE of the Act. Assessment was completed at total income of Rs. 27,77,07,606/- vide order u/s 143(3) dated 06.12.2019. Aggrieved, the assessee preferred an appeal before the Ld. CIT(A). Ld. CIT(A) allowed relief to the assessee after observing that the assessee had submitted bills, vouchers, confirmation letters and bank statements of the parties who rendered professional and technical services and received payments and simply because they had not responded to the notices issued u/s 133(6), the assessee cannot be penalized for the same. Noting that the assessee had discharged the onus of proving that payments for professional and technical services was not bogus, Ld. CIT(A) allowed the assessee's appeal vide order dated 22.07.2025.

- 4.1 Aggrieved, the revenue has preferred appeal before the Tribunal.

5. Before us, Ld. DR has submitted that the Ld. CIT(A) decided the appeal without giving the AO an opportunity to conduct further inquiries into the genuineness of the impugned expenses and simply accepted the assessee's submission, ignoring that the assessee had failed to provide cogent evidence of actual services rendered even before him.
 - 5.1 Ld. AR on the other hand, has relied on the order of Ld. CIT(A) and argued that since the assessee had discharged its onus by producing documentary evidences, relief allowed by the Ld. CIT(A) deserves to be upheld.

6. We have heard the rival submissions and perused the material placed on record. We note that the Ld. CIT(A) has passed a cryptic order solely relying on the submissions of the assessee, without giving any findings of his own with regard to the documentary evidences submitted before him. Accordingly, we deem it appropriate to restore the matter to Ld. CIT(A) for fresh adjudication and to pass a speaking order on merits after giving due opportunity to the assessee and the revenue.

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

Order pronounced in the Open Court on 20-01-2026.

**Sd/-
(MAHAVIR SINGH)
VICE PRESIDENT**

**Sd/-
(RENU JAUHRI)
ACCOUNTANT MEMBER**

Dated: 27.01.2026

Pooja Mittal

Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi