

**IN THE INCOME TAX APPELLATE TRIBUNAL
"B" BENCH, MUMBAI
BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER
AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

**ITA No. 7398/Mum/2025
Assessment Year: 2015-16**

Badamidevi Sardarmal Purohit Shop No.2, 3 rd Floor, Plot No.10 Mistry Building, Padamji Road, Near Dream Land Cinema, Mumbai-400004 PAN: AKCPP0288R (Appellant)	Vs.	Income Tax Officer 19(1)(1) Dr SS Rao Marg, Parel, Mumbai- 400012 (Respondent)
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Assessee by	Shri Vimal Punmiya
Department by	Shri Alok Singh (CIT-DR)

Date of Hearing	09.03.2026
Date of Pronouncement	10.03.2026

ORDER

Per: SHRI JAGADISH, A.M.:

1. This appeal is filed by the assessee against the order dated 19.09.2025 passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi for the assessment year 2015-16 arising out of the assessment order passed by the Assessing Officer under section 147 read with section 144B of the Income-tax Act, 1961.
2. The assessee has raised multiple grounds in the appeal challenging the validity of reassessment proceedings as well as the addition made by the Assessing Officer on account of alleged difference in sales reported through e-commerce platform. However, at the time of

hearing the primary grievance of the assessee is that the learned CIT(A) has dismissed the appeal ex parte without adjudicating the issues on merits.

3. Briefly stated, the facts of the case are that the assessee is an individual engaged in the business of e-commerce retail through a proprietorship concern namely M/s Ankita Infosys. The assessee filed the return of income for the assessment year 2015-16 on 12.09.2015 declaring total income of Rs.19,77,580/-. The return was processed and subsequently the assessment was completed under section 143(3) of the Act accepting the returned income. Subsequently, based on information received from the office of DDIT (I&CI) in relation to transactions carried out through e-commerce platforms, the Assessing Officer noted that as per information obtained from Amazon, the assessee had effected sales aggregating to Rs.39,19,80,697/- during the relevant financial year, whereas the sales reflected by the assessee in the books were lower by Rs.3,59,53,945/-. On the basis of the said information, the Assessing Officer formed a belief that income chargeable to tax had escaped assessment and accordingly reopened the assessment under section 147 of the Act. In response to notice issued under section 148, the assessee filed return of income declaring the same income as originally returned. During the course of reassessment proceedings, the Assessing Officer called upon the assessee to reconcile the difference in sales reported through Amazon and the sales disclosed in the return of income. According to the Assessing Officer, the assessee failed to satisfactorily explain the difference. Consequently, the Assessing Officer treated the difference amount of Rs.3,59,53,945/- as unexplained credit under section 68 of the Act and completed the assessment determining the total income at Rs.3,79,31,525/-.

4. Aggrieved by the assessment order, the assessee preferred an appeal before the learned CIT(A). During the appellate proceedings, the learned CIT(A) issued several notices fixing the appeal for hearing. However, according to the CIT(A), the assessee failed to furnish necessary submissions in support of the grounds of appeal. Therefore, the learned CIT(A) dismissed the appeal and confirmed the addition made by the Assessing Officer.
5. Before us, the learned Authorised Representative submitted that the learned CIT(A) passed the impugned order without adjudicating the issues on merits and merely dismissed the appeal for non-prosecution. It was submitted that the assessee could not properly respond during the faceless appellate proceedings and therefore requested that one more opportunity may be granted in the interest of justice to present the case before the first appellate authority.
6. The learned Departmental Representative, on the other hand, supported the order of the learned CIT(A) and submitted that adequate opportunities were granted during the appellate proceedings but the assessee failed to avail the same. Therefore, according to the learned DR, the order passed by the CIT(A) does not call for any interference.
7. We have heard the rival submissions and perused the material available on record. It is observed that the learned CIT(A) has dismissed the appeal primarily on the ground that the assessee did not furnish submissions despite opportunities provided during the appellate proceedings. However, from the impugned order it is evident that the issues raised by the assessee in the grounds of appeal, including the challenge to reopening of assessment and the addition made under section 68 of the Act, have not been adjudicated on merits.
8. It is well settled that the first appellate authority is vested with coterminous powers with that of the Assessing Officer and is required to

dispose of the appeal by passing a reasoned order on the issues arising from the grounds of appeal. Merely dismissing the appeal for non-prosecution without examining the merits of the case does not meet the requirement of a proper appellate order under the Act.

9. Considering the facts and circumstances of the case, and in order to meet the ends of substantial justice, we are of the considered view that the assessee deserves one more opportunity to present the case before the learned CIT(A). Accordingly, we set aside the impugned order of the learned CIT(A) and restore the matter to his file with a direction to adjudicate the appeal afresh on merits after providing adequate opportunity of being heard to the assessee.
10. The assessee is also directed to cooperate in the appellate proceedings and promptly furnish all necessary details and submissions as may be called for by the learned CIT(A). It is made clear that in the event of failure on the part of the assessee to comply with the notices issued, the learned CIT(A) shall be at liberty to decide the appeal on the basis of material available on record.
11. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 10/03/2026.

Sd/-

(SANDEEP GOSAIN)
Judicial Member

Sd/-

(JAGADISH)
Accountant Member

Mumbai, Dated: 10/03/2026

Ashwani Rao
Sr. Private Secretary

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. The CIT
4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Assistant Registrar)
ITAT, Mumbai