

**IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'SMC' Bench, Hyderabad**

Before Shri Rama Kanta Panda, Accountant Member

ITA No.223/Hyd/2022		
Assessment Year: 2017-18		
Aravinda Reddy Gaddam H.No.7-398, Gangareddy Road, Mancherial Telangana-504 208 PAN : ABHPG8372R	Vs.	ITO, Ward-1 Mancherial-504 208
(Appellant)		(Respondent)
Assessee by:		None
Revenue by:		Shri B.Sunil Kumar, Sr.AR
Date of hearing:		07.07.2022
Date of pronouncement:		08.07.2022

ORDER

Per Shri Rama Kanta Panda, A.M.

This appeal filed by the assessee is directed against the order dated 30.03.2022 passed by the National Faceless Appeal Centre (NFAC), Delhi relating to AY 2017-18.

2. None appeared on behalf of the assessee, despite service of notice. Since, the NFAC has decided the appeal ex-parte, therefore, this appeal is being decided on the basis of material available on recorded and after hearing the ld. DR.

3. Facts of the case, in brief, are that the assessee is an individual and filed his return of income 28.12.2017 disclosing total income of Rs. 7,63,760/-. The case was selected for limited scrutiny and statutory notices u/s. 143(2) and 142(1) were issued and the ld. AR for the assessee appeared from time to time before the AO and filed the requisite details.

3.1 During the course of assessment proceedings, the AO noted that there are various cash deposits in the bank accounts maintained by the assessee. Since the assessee could not explain satisfactorily regarding the source of such cash deposits, the AO, invoking the provisions of sections 69A of the Act made addition of Rs.3,67,500/- being the peak cash credit.

4. Since, the assessee did not appear before the NFAC despite three opportunities granted, the NFAC in the *ex-parte* order dismissed the appeal filed by the assessee.

5. Aggrieved with such order of the NFAC, the assessee is in appeal before the Tribunal by raising the following grounds:-

1. *The order of the learned Assessing Officer is erroneous in Law and on the facts of the case.*
2. *the Assessing Officer is not justified in arriving at the peak credit.*
3. *The Assessing Officer has erred in treating the cash deficit of Rs.3,67,500 as unexplained even when the appellant has submitted the details to substantiate the cash deficit.*
4. *the Assessing Officer is not justified in initiating penalty u/s. 271AAC of the Income tax Act, 1961.*

6. I have heard the ld. DR and perused the record. It is an admitted fact that despite number of opportunities granted by the NFAC, the assessee did not appear before the NFAC for which the NFAC has passed the *ex-parte* order. At the same time the NFAC in the *ex-parte* order passed by it has not passed the appeal on merit by giving cogent reasons which it was required to do, but AO has summarily dismissed the appeal basically for non-prosecution. Considering the totality of the facts of the case and in the interest of justice, I deem it proper to restore the issue to the file of the NFAC for deciding the issue afresh by giving one final opportunity to the assessee to substantiate his case and pass a speaking order. The assessee is also hereby directed to appear before NFAC and substantiate his case failing which the

NFAC is at liberty to pass appropriate order as per law. I hold and direct accordingly. The grounds raised by the assessee are accordingly allowed for statistical purposes.

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

Order pronounced in the Open Court on 08th July, 2022.

Sd/-

	(RAMA KANTA PANDA) ACCOUNTANT MEMBER
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Hyderabad, dated 08th July, 2022.

Thirumalesh/sps

Copy to:

S.No	Addresses
1	Aravinda Reddy Gaddam H.No.7-398, Gangareddy Road, Mancherial Telangana-504 208
2	ITO, Ward-1 Mancherial-504 208
3	CIT(A), Hyderabad
4	NFAC, Delhi
5	DR, ITAT Hyderabad Benches
6	Guard File

By Order