

IN THE INCOME TAX APPELLATE TRIBUNAL
“DB” BENCH, JABALPUR
BEFORESHRIOM PRAKASH KANT, ACCOUNTANT MEMBER &
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA No. 19/Jab/2022

(A.Y: 2017-18)

Rahul Deopujari Nanu Ghat, Azad Ward, Mandla-481661, MadhyaPradesh.	Vs.	ITO, Mandla-481661, MadhyaPradesh.
PAN/GIR No. : BGD7214F		
Appellant	..	Respondent

Appellant by :	Shri H.S Modh.AR
Respondentby :	Shri Shiv Kumar, CIT-DR

Date of Hearing	12.09.2023
Date of Pronouncement	13.09.2023

आदेश / O R D E R

PER PAVAN KUMAR GADALE JM:

The assessee has filed the appeal against the order of the National Faceless Appeal Centre (NFAC) / CIT(A) passed u/s 143(3) and 250 of the Act. The assessee has raised the following grounds of appeal:

1. *That the Ld Commissioner of Income Tax (Appeals) has passed ex-party assessment order is erroneous and bad in law.*
2. *That the addition Rs. 6,50,000/- confirmed considering that the no explanation has been filed is not correct as the Assessee has explain the transaction before the Assessing*

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Officer has not been considered while passing the appeal order is erroneous and bad in law.

3. *That the Assessee craves leave to raise any other ground/s on or before the date of hearing to prove that the order is bad.*

2. The brief facts of the case are that, the assessee is engaged in the business as stamp vending for Govt of Madhya Pradesh and the assessee has filed the return of income for the A.Y 2017-18 on 30.10.2017 disclosing a total income of Rs. 4,14,447/-. Subsequently the case was selected for scrutiny under the CASS to verify the cash deposits and notice u/s 143(2) and 142(1) of the Act was issued. In compliance to the notice, the assessee has submitted the information online through e-filing portal. The assessee is engaged in the business of stamp vending for Madhya Pradesh Govt for more than six years and therefore the receipts of the- cash deposits in the bank are from sale of stamp papers. Whereas the AO required the assessee to explain the sources of cash deposits of Rs.9.5 Lakhs with IDBI Bank account with documentary evidence. The assessee has explained that the cash deposits in the bank account are received from purchasers of the stamps and cash in hand. Since the assessee could not substantiate the sources of cash deposits and the A.O

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considering the fact of OD limit of the assessee with IDBI bank has work out Rs. 3.5 lakhs as unexplained cash deposits. Further in respect of cash deposits of Rs.3 lakhs with SBI, bank account, as the assessee could not explain the sources of cash deposits nor reconcile the transactions. Finally the AO has invoked provisions u/s 69A of the Act and made aggregate addition of Rs.6.50 lakhs and assessed the total income of Rs. 10,14,450/- and passed the order u/s143(3) of the Act dated 28.11.2019.

3. Aggrieved by the order, the assessee has filed an appeal before the CIT(A),whereas the CIT(A) has considered the grounds of appeal, statement of facts and findings of the AO and has issued notices of hearing and since there was no compliance/submissions by the assessee to notices. Therefore the CIT(A) considering the information on record has confirmed the action of the A.O and dismissed the appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Ld. AR submitted that the CIT(A) has erred in confirming the action of the Assessing officer overlooking the submissions made in the assessment proceedings. Further the assessee has a good case on

merits and shall substantiate with the material evidences and prayed for an opportunity to explain before the lower authorities. Contra, the Ld. DR supported the order of the CIT(A).

5. We heard the rival submissions and perused the material on record. Prima-facie the CIT(A) has passed the order considering the fact that there is no appearance/submissions in spite of providing adequate opportunity of hearing and the notices were issued. Therefore, the CIT(A) was of the opinion that the assessee is not interested in prosecuting the appeal and dismissed the appeal ex-parte confirming the action of the assessing officer. The Ld.CIT(A) has issued the notices of hearing on various dates referred at Para 3 of the order, but there was no response and thus the Ld.CIT(A) came to a conclusion that the assessee is not interested and decided the appeal based on the information available on record. When a query was raised to Ld.AR for the reasons for non appearance before the CIT(A), the explanations are not convincing. Whereas the assessee has raised grounds of appeal challenging the additions of the A.O and there could be various reasons for non appearance which cannot be overruled. Therefore, considering the principles of

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natural justice shall provide with one more opportunity of hearing to the assessee to substantiate the case with evidences and information. Accordingly, set aside the order of the CIT(A) and remit the entire disputed issues to the file of the Assessing Officer to adjudicate afresh and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information for early disposal of the appeal. Accordingly, allow the grounds of appeal of the assessee for statistical purposes.

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

Orders pronounced in the open court on 13.09.2023

Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Mumbai, Dated 13.09.2023

KRK, PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The CIT (Judicial)
4. The PCIT
5. DR, ITAT, Jabalpur
6. Guard File

ITA No. 19/Jab/2022
Rahul Deopujari, Jabalpur.

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आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

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(Asst. Registrar)
ITAT, Jabalpur