

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "B", PUNE

BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND
SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.1022/PUN/2023

Assessment Year 2017-18

Sudhir Jagannath Bhongale, F-10, Yajanagandha Soc., Shivtirth Nagar, Paud Road, Pune 411 038, Maharashtra PAN : ABAPB6619D	Vs.	ITO, Ward-6(3), Pune
Appellant		Respondent

Assessee by : None

Revenue by : Shri Sourabh Nayak

Date of hearing : 28.02.2024

Date of pronouncement : 28.02.2024

आदेश / ORDER

PER INTURI RAMA RAO, AM:

This is an appeal filed by the assessee directed against the order of CIT(A) in National Faceless Appeal Centre, Delhi dated 26-07-2023 u/s.250 of the Income Tax Act, 1961 ('the Act') for the Assessment Year 2017-18.

2. When the appeal was called on, none appeared on behalf of the appellant despite due service of notice of hearing. After hearing

the ld. DR and perusing the material on record, we proceed to dispose of the appeal *ex parte* qua the appellant.

3. Briefly, the facts of the case are that the appellant is an individual who filed the return of income on 29-09-2017 declaring total income at Rs.26,97,670/-. The return was processed u/s.143(1) of the Act. Thereafter, the case was selected for scrutiny under CASS. It was observed that the appellant had deposited an amount of Rs.37,50,000/- in the IDBI bank during the demonetization period. Statutory notices were issued calling for the sources of cash deposit of Rs.37,50,000/- made in IDBI bank during the demonetization period. The appellant furnished the copy of return of income, profit & loss account, balance sheet along with copy of bank statement. The AO observed that the appellant had failed to justify the sources of cash deposit made in his bank account. Eventually, the AO in the assessment order dt. 22-12-2019 passed u/s.143(3) of the Act assessed the total income at Rs.64,47,670/-, thus making addition of Rs.37,50,000/- u/s.69A of the Act.

4. Being aggrieved by the above assessment order, an appeal was filed before the NFAC, who vide impugned order dismissed the appeal of the appellant for non-prosecution.

5. Heard the Id. DR and perused the relevant material on record. We find that the approach of the Id.CIT(A) is totally unreasonable and unjustified. In the present case, the CIT(A) fell in serious error by not adjudicating the issues in appeal on merits. The settled position of law mandates the CIT(A) to dispose of the appeal by adjudicating the issue raised in appeal on merits. The findings of the CIT(A) are not based on the material on record, which means that the CIT(A) had not gone into the merits of the issue in appeal. Therefore, considering the facts in entirety, we vacate the finding of the CIT(A). In the circumstances, we remand the matter back to the file of the CIT(A) and direct to dispose of the appeals on merits in accordance with law after affording due opportunity of being heard to the appellant.

6. In the result, the appeal of the assessee stands partly allowed for statistical purposes.

Order pronounced on this 28th day of February, 2024.

Sd/-
(PARTHA SARATHI CHAUDHURY)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 28th February, 2024

Satish

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "B" बेंच,
पुणे / DR, ITAT, "B" Bench, Pune.
4. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune