

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH “SMC”: NEW DELHI**

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No. 904/DEL/2024
Assessment Year: 2017-18

Ajay Singh Chhabbra, H. No. 57, Adarsh Colony, Civil Line, Rampur-244901.	<u>Vs</u>	Income-tax Officer, Rampur.
PAN- ANFPC 7048 E		
APPELLANT		RESPONDENT
Assessee represented by	None	
Department represented by	Shri Om Parkash, Sr. DR	
Date of hearing	28.05.2024	
Date of pronouncement	28.05.2024	

ORDER

PER KUL BHARAT, JM:

This appeal, by the assessee, is directed against the order of the learned CIT (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 21.12.2023, pertaining to the assessment year 2017-18. The assessee has raised following grounds of appeal:

“1. That the order of Ld. CIT (A) is against the law, facts, principles of natural justice and all other principles and rules of law and therefore liable to be set aside.

2. That Ld CIT(A) is not justified in confirming the order of Income Tax Officer, Rampur which is bad in law, contrary to facts, provision of law and against the principles of natural justice as such deserves to be quashed.

3. That Ld CIT(A) is not justified in confirming the addition of Rs. 2,11,887/- made by Ld AO by considering total receipts in bank account as business receipts and applying 8% GP Rate on same which is based on surmises and conjectures, contrary to facts born on record and provisions of law. As such addition of Rs. 2,11,887 made by Ld AO needs to be deleted.

4. That Ld CIT(A) is not justified in confirming the action of Ld AO in treating the agriculture income of Rs.9,50,000 declared by assessee as unexplained money U/s 69A which is based on surmises and conjectures, contrary to facts born on record and provisions of law.

5. That Ld CIT(A) is not justified in confirming the addition of Rs.9,50,000/- made by Ld AO out of total cash deposits during demonetization period of Rs. 12,27,500/- which is based on surmises and conjectures, contrary to facts born on record and provisions of law. As such addition of Rs. 9,50,000 made by Ld AO needs to be deleted.

6. That the appellant craves right to amend, add, delete or withdraw any of the ground of appeal either before or at the time of hearing of this appeal.”

2. Facts, in brief, are for AY 2017-18 the assessee filed his return of income on 31.03.2018 declaring total income of Rs.2,77,380/- and agricultural income at Rs.9,50,000/-. The case of the assessee was selected for scrutiny under CASS to examine the reason "Large Agricultural income shown in ITR and Large Cash deposit during Demonetization period". The AO noticed that during FY 2016-17 relevant to AY 2017-18, there was cash deposit of 74,23,585/- in assessee's bank account number 712506041000015 maintained at Vijaya Bank, out of which Rs. 11,50,000/- was deposited during demonetization period. Rejecting the explanation

furnished by the assessee, the AO inferred that the cash deposited during FY 2016-17, except agricultural income, was the business receipts of the assessee. Applying the profit rate of 8% to the total receipts determined, the AO made addition of Rs.2,11,887/- to the total income of the assessee. The AO also held that the assessee could not prove earning of agriculture income amounting to Rs. 9,50,000/-. He, accordingly, added the same as unexplained income u/s 69A of the Act, to the income of the assessee. Thus, AO completed the assessment u/s 143(3) of the Act at total income of Rs. 14,39,267/- as against Rs. 2,77,380/- declared by the assessee. Aggrieved, against it the assessee carried the matter in appeal before the learned CIT(A), who also affirmed the action of the AO. Aggrieved, now the assessee is in appeal before this Tribunal.

3. No one put in appearance on behalf of the assessee at the hearing, despite issue of notice for hearing. Accordingly, I proceed to dispose of the appeal, ex parte, qua the assessee, on merit.

4. The learned DR supported the orders of authorities below.

5. I have heard learned DR and perused the material available on record. From the order of AO it is revealed that there was no effective representation on behalf of the assessee. Further, before learned CIT(A) also there was no representation on behalf of the assessee and the learned CIT(A) affirmed the action of AO simply

relying on the order of AO. Looking into totality of facts of the present case and to subserve the interests of natural justice, in order to provide an opportunity to the assessee to effectively represent his case before the Assessing Authority, orders of authorities below are set aside and the matter is restored to the file of AO for decision afresh, after affording adequate opportunity of being heard to the assessee. Grounds are allowed for statistical purposes.

6. Appeal of the assessee is allowed for statistical purposes.

Order pronounced in open court on 28.05.2024.

**Sd/-
(KUL BHARAT)
JUDICIAL MEMBER**

MP

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

**ASSISTANT REGISTRAR
ITAT, NEW DELHI**