



IN THE INCOME TAX APPELLATE TRIBUNAL, 'SMC' BENCH PUNE
BEFORE HON'BLE SHRI G. D. PADMAHSHALI, ACCOUNTANT MEMBER



AND

SHRI VINAY BHAMORE, JUDICIAL MEMBER

ITA No. 1079/PUN/2024

Assessment Year : 2016-17

Krunal Kailash Kapoor
4th Flr, Harsh Apt.,
Nr. Old Gangapur Rd.,
Behind Chopda Lawns, Nashik-422013.
PAN: BFMPK3709J.

..... *Appellant*

V/s

The Income Tax Officer,
Ward-3(1), Nashik.

..... *Respondent*

Appearances

Assessee by : Mr Sanket Joshi ['Ld. AR']

Revenue by : Mr Umashankar Prasad ['Ld. DR']

Date of conclusive Hearing : 25/07/2024

Date of Pronouncement : 01/08/2024

ORDER

PER G. D. PADMAHSHALI, AM;

This appeal of the assessee impugns the DIN & Order No. ITBA/APLS/S/250/2023-24/1063500147(1) dt. 27/03/2024 passed u/s 250 of the Income-tax Act, 1961 ['the Act' hereinafter] by the Addl/Jt. Commissioner of Income Tax ['CIT(A)/NFAC' hereinafter] passed which in turn confirmed the order of assessment passed u/s 143(3) of the Act by the Income Tax Officer, Ward-3(1), Nashik ['AO' hereinafter] for assessment year 2016-17 ['AY' hereinafter];

2. Succinctly stated the facts of the case are that; the assessee is an individual & employed with SUD Life Insurance Company Ltd and was in receipt of salary



therefrom which was offered to tax. The income tax return ['ITR' hereinafter] for the year under consideration declaring total income ₹1,69,070/- filed by the assessee was selected for scrutiny under CASS to verify salary income and sources of cash deposited into his two Saving bank accounts maintained with 'Union bank of India & HDFC Bank' totalling to ₹12,62,500/-.

3. The assessee's explanation that aforestated cash deposits were made out of his personal saving, bank withdrawals, and amount of gifts received from his family members and one gentleman Mr Ramesh did inspire no confidence to the Ld. AO. In the event the Ld. AO turn-down the explanation as unsatisfactory and treated the entire amount cash deposits as an income of the assessee from unexplained sources and brought to tax u/s 115BBE of the Act.

4. Aggrieved by the aforestated addition, the assessee filed an appeal before first appellate authority, however it could yield no desired result owing to non-prosecution by the assessee. Further aggrieved by the impugned ex-parte order of the Ld. NFAC the assessee is before us with following substantive grounds;

1. The assessee submits that the learned CIT(A) erred in confirming the addition of Rs.12,62,500 made by the A.O. by treating the entire cash deposits in bank account during A.Y.2016 – 17 as unexplained income without appreciating that the said action of the CIT(A) was not justified on facts and in law.

2. The assessee submits that the notices of hearing were issued electronically by the CIT(A)/ A.O. and the same were not served physically by post and hence, the said notices skipped the attention of the appellant who was not into the practice of regularly checking emails and therefore, it is prayed that the matter may please be sent back to A.O./ CIT(A) for fresh adjudication after granting one more opportunity of being heard to the assessee in the interest of justice.



3. Without prejudice to the above grounds, the assessee submits that the addition of Rs.12,62,500 towards alleged unexplained cash deposits is not justified since the said cash deposits have been mainly sourced out of temporary cash advance of Rs.10,00,000 received from mother in law on 29.07.2015 which was immediately repaid through banking channel on 10.08.2015 and earlier cash withdrawals made from bank account and hence, the above addition made by the A.O. may please be deleted.

5. We heard both the sides on limited ground no 2 and carefully examined the facts of the case. Admittedly, the appellant could not cause any appearance before the first appellate authority which led to *ex-parte* dismissal of the appeal by the Ld. CIT(A)/NFAC. The appellant however vide affidavit dt. 24/07/2024 placed on record claimed that, the notices of hearing sent to him by the Ld. CIT(A)/NFAC on his registered email went unnoticed and it came first to his knowledge only upon the receipt of impugned order. Having considered the facts of the case holistically, we are satisfied that the appellant for stated reasons was prevented from prosecuting the appeal, hence in the larger interest of justice, we deem it proper to remit the file to the Ld. CIT(A)/NFAC for *de-novo* adjudication in accordance with law after affording due opportunity of hearing to the appellant. We order accordingly.

6. **The appeal in results is ALLOWED FOR STATISTICAL PURPOSES.**

In terms of rule 34 of ITAT Rules, the order pronounced in the open court on this Thursday, 01st August, 2024.

-S/d-

VINAY BHAMORE
JUDICIAL MEMBER

पुणे / PUNE ; दिनांक / Dated : 01st August, 2024.

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

1. अपीलार्थी / The Appellant.

2. प्रत्यर्थी / The Respondent.

3. The Pr. CIT Concerned.

4. The CIT(A)/NFAC Concerned.

5. DR, ITAT, 'SMC' Bench, Pune

6. गार्डफाइल / Guard File.

आदेशानुसार / By Order

वरिष्ठ निजी सचिव / Sr. Private Secretary

आयकर अपीलीय न्यायाधिकरण, पुणे / ITAT, Pune.

-S/d-

G. D. PADMAHSHALI
ACCOUNTANT MEMBER