

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DEHRADUN CIRCUIT BENCH (SMC): DEHRADUN**

**BEFORE,  
SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
AND  
SHRI VIMAL KUMAR, JUDICIAL MEMBER**

**ITA No.64/DDN/2023  
(ASSESSMENT YEAR 2017-18)**

Late Mrs. Poonam Sehgal Thru L/H Mrs. Priyanka Kaur, C/o M/s. R. Sahni and Co., 51-52, Anekant Palace, 29, Rajpur Road, Dehradun, Uttarakhand PAN-COAPS8378M	Vs.	CIT(A), NFAC
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by	Sh. Rajiv Sahni, CA
Respondent by	Sh. Amar Pal Singh, JCIT-DR
Date of Hearing	23/08/2024
Date of Pronouncement	30/08/2024

**ORDER**

**PER VIMAL KUMAR, JM:**

1. The appeal of assessee arises out of order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Ld. CIT(A)'] in DIN & Order No. ITBA/NFAC/S/250/2023-24/1055061894(1) dated 11/08/2023 against the assessment order passed by Income Tax Officer, Ward-1(2)(1), Dehradun (hereinafter referred to as the 'Ld.

AO) u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') on 28/11/2019 for the Assessment Year 2017-18.

**2.** The brief facts of the case are that appellant/assessee electronically filed return of income at Rs.11,05,300/-. The case was selected for limited scrutiny through CASS to examine "*Cash Deposit during demonetization period*". Notice u/s 143(2) dated 30/09/2018 was serve. Notice u/s 142(1) was issued. Final show cause notice u/s 144 was issued on 09/10/2019. On the appointed dated an unsigned reply was uploaded by her authorized representative stating that Smt. Poonam Sehgal expired on 16/11/2018. Copy of death certificate dated 30/11/2018 wherein date of death was mentioned 18/11/2018. No notice u/s 142(1) was issued to her through her legal heir on 24/10/2019. The AIR information extracted from the system shows that the assessee Smt. Poonam Sehgal deposited cash during demonetization period in her account. On completion of assessment proceedings, Learned AO passed assessment order dated 28/11/2019 u/s 143(2) making cash deposit of Rs.10,94,000/- u/s 69A of the Income Tax Act and added to total income of assessee is taxed u/s 115BBE of the Act at the rate of 60%.

**3.** Appellant/assessee preferred appeal before Learned CIT(A) who provided multiple opportunities to submit documents and make submissions. However, the appellant/assessee had not exercised the option despite multiple reminders. The Ld. CIT(A) decided the appeal *ex-parte*.

**4.** Being aggrieved appellant/assessee preferred present appeal with following grounds:-

*“1. That having regard to the facts and circumstances of the case, Learned CIT(A), NFAC has erred in law and on facts in confirming the action of the Learned AO by dismissing the Appeal due to non submission on the grounds of appeal preferred.*

*2. That having regard to the facts and circumstances of the case, Learned CIT(A), NFAC has erred in law and on facts in not sending the Notices under Section 250 to email addresses as per the provision of Section 282 of the Income Tax Act, 1961 read with Rule 127 of the Income Tax Rules, 1962.*

*3. That in any case and in any view of the matter, the Ld AO has wrongly made addition of Rs.10,94,000 under Section 69A of the Income Tax Act, 1961 which has been confirmed by the Hon'ble CIT(A) by dismissing the Appeal, whereas the sources of deposit of SBNs of Rs.10,94,000 in the bank account are all explainable-Tax Effect Rs.845115*

*4. That in any case and in any view of the matter, the Ld AO has erred in law and on facts by applying rate of tax and surcharge under Section 115BBE which did not exist as on the date of deposit of cash in bank accounts-Tax Effect Rs.3,38,046.*

*5. That in any case and in any view of the matter, the Learned AO has erred in law by making addition as a source of income as unexplained money u/s 69A, when the source has already been brought to take as capital gains in the relevant assessment year. Tax Effect Rs. 11,83,161.*

*6. That the Appellant craves leave to add, alter, delete, withdraw, amend or modify any grounds of appeal during the course of appeal proceedings.”*

**5.** Learned Authorized Representative for appellant/assessee submitted that Learned CIT(A) erred in dismissing the appeal without ensuring actual service of notice of appeal hearing and impugned order may be set aside with direction to CIT(A) to give opportunity of being heard to the assessee.

6. Learned Departmental Representative for revenue submitted that the appellant/assessee was not interested in pursuing the appeal in spite of several notices.

7. From examination of record in light of aforesaid rival submissions it is crystal clear that Ld. CIT(A) has issued notices to the appellant/assessee but appellant assessee neither responded to the notices nor filed written submission. The Ld. CIT(A) decided the appeal *ex-parte*.

8. On a perusal of the Ld. CIT(A) order, we find that even though the Ld.CIT(E) provided opportunity on several occasions assessee could not appear or utilized the opportunities. Considering the totality of facts and submissions of the Ld. AR, we are of the opinion that assessee should be given one more opportunity of being heard. Hence, the matter is restored to the file of Ld. CIT(A) for fresh adjudication.

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

Order pronounced on 30<sup>th</sup> August, 2024.

Sd/-  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Sd/-  
**(VIMAL KUMAR)**  
**JUDICIAL MEMBER**

Dated: 30/08/2024  
PK/PS

Copy forwarded to:

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

ASSISTANT REGISTRAR  
ITAT NEW DELHI  
(Dehradun Circuit Bench, Dehradun)