

**आयकर अपीलीयअधिकरण, विशाखापटणम SMC पीठ, विशाखापटणम**  
IN THE INCOME TAX APPELLATE TRIBUNAL,  
VISAKHAPATNAM **SMC** BENCH, VISAKHAPATNAM

**श्री दुव्वूरु आर एल रेड्डी, न्यायिक सदस्य के समक्ष**

BEFORE SHRI DUVVURU RL REDDY, HON'BLE JUDICIAL MEMBER

आयकर अपील सं./ I.T.A. No.315/Viz/2024  
(निर्धारण वर्ष / Assessment Year : 2017-18)

Jastiyamini Satya Prabha, Guntur. PAN: ASEPP6427G (अपीलार्थी/ Appellant)	Vs.	Income Tax Officer, Ward-2(3), Guntur. (प्रत्यर्थी/ Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Smt. K. Aruna, AR
प्रत्यर्थी की ओर से / Respondent by	:	Dr. Aparna Villuri, Sr. AR
सुनवाई की तारीख / Date of Hearing	:	30/09/2024
घोषणा की तारीख/Date of Pronouncement	:	30/09/2024

**ORDER**

**PER DUVVURU RL REDDY, Judicial Member :**

This appeal filed by the assessee is against the order of the Ld. CIT(A)-NFAC, Delhi in DIN & Order No. ITBA/NFAC/S/250/2024-25/10656115154(1), dated 13/06/2024 arising out of the order passed U/s. 143(3) of the Income Tax Act, 1961 ["the Act"] for the AY 2017-18.

2. Briefly stated the facts of the case are that the assessee is an individual, filed her return of income for the AY 2017-18 on 21/10/2017 admitting a total income of Rs. 4,96,920/-. The return of income was processed U/s. 143(1) of the Act by CPC, Bangalore and the case was selected for Limited Scrutiny under CASS to verify the cash deposit during demonetization period. Thereafter, notice U/s. 143(2) of the Act was issued on 21/09/2018 and notices U/s. 142(1) were issued on 02/01/2019 & 18/01/2019. Further, the Ld. AO also issued notice U/s. 133(6) of the Act to the Branch Manager, SBI, Guntur; Corporation Bank, Guntur and Bank of Baroda, Lakshmipuram, Guntur on various dates. In response to the notice U/s. 142(1) of the Act the assessee furnished her reply on 05/06/2019 along with the bank accounts' statements, copy of Form 26AS and statement of income etc. Further, the Ld. AO also issued another notice U/s. 142(1) of the Act along with show cause notice on 19/11/2019 and called for certain other information with regard to the cash deposits of Rs. 15,65,000/- made during demonetization period. In reply, the assessee furnished her response on 13/12/2019. However, the assessee did not furnish any evidence / proof with regard to her claim and nexus of cash

deposits made with that of the income from other sources shown in the return of income. After verification of the assessee's submissions and the material available on record, the Ld. AO observed that, in the absence of any cogent proof / evidence with regard to the cash deposits made during the demonetization period, the cash deposits to the extent of Rs. 15,65,000/- was treated as unexplained money U/s. 69A of the Act and taxed the same U/s. 115BBE of the Act. Thus, the Ld. AO completed the assessment U/s. 143(3) of the Act and determined the total income at Rs. 20,61,920/- and passed the assessment order dated 20/12/2019. Aggrieved by the order of the Ld. AO, the assessee preferred an appeal before the Ld. CIT(A)-NFAC.

3. On appeal, since there was no response from the assessee with respect to the hearing notices issued and in the absence of any representation on behalf of the assessee, the Ld. CIT(A)-NFAC passed the order ex-parte and dismissed the assessee's appeal by confirming the addition made by the Ld. AO. Aggrieved by the order of the Ld. CIT(A)-NFAC, the assessee is in appeal before the Tribunal by raising the following grounds of appeal:

- “1. *The order of the Ld. CIT(A) is contrary to the facts and also the law applicable to the facts of the case.*
2. *The Ld. CIT(A) is not justified in dismissing the appeal ex-parte.*

3. *The Ld.CIT(A) is not justified in sustaining the addition of Rs. 15,65,000/- made by the AO U/s. 69A of the Act towards unexplained cash deposits in bank account during demonetization period.*
4. *Any other ground that may be urged at the time of appeal hearing.”*

4. At the outset, the Ld. Authorized Representative [“Ld. AR”] submitted before us that the Ld. CIT (A)-NFAC has passed ex-parte order without providing proper opportunity to the assessee of being heard. It was therefore pleaded that the matter may be remitted back to the file of the Ld CIT (A)-NFAC in order to provide one more opportunity to the assessee of being heard.

5. Ld. Departmental Representative [“Ld. DR”], on the other hand, vehemently opposed to the submissions of the Ld. AR and argued that several opportunities had been provided to the assessee however, on the given dates of hearing, neither the assessee nor his Representative has responded to the notices issued nor filed any details / submissions as called for by the Ld. CIT (A)-NFAC. It was further submitted that, under these circumstances, the Ld. CIT (A)-NFAC had no other option but to pass ex-parte order based on the materials available on record. Hence, it was pleaded that the order passed by the Ld. CIT(A)-NFAC does not call for any interference.

6. I have heard the both the sides and carefully perused the materials available on record. On examining the facts of the case, I find that the

Ld. CIT (A)-NFAC had posted the case on several occasions. However, there was no response on behalf of the assessee before the CIT(A)-NFAC on the dates of hearing with regard to the details / submissions as called for by the Ld. CIT(A)-NFAC. Therefore, the Ld. CIT (A)-NFAC was left with no other option except to adjudicate the appeal ex-parte and dismissed appeal. In this situation, I am of the view that the Ld. CIT(A)-NFAC ought to have decided the case on merits instead of dismissing the appeal ex-parte. Therefore, considering the issues involved in the appeal and also considering the prayer of the Ld. AR, in the interest of justice as well as strictly following the principles of natural justice, I hereby remit the matter back to the file of Ld. CIT (A)-NFAC in order to consider the appeal afresh and decide the case on merits by providing one more opportunity to the assessee of being heard in accordance with the principles of natural justice. At the same breath, I also hereby caution the assessee to promptly co-operate before the Ld. CIT (A)-NFAC in the proceedings failing which the Ld. CIT (A)-NFAC shall be at liberty to pass appropriate order in accordance with law and merits based on the materials available on the record. It is ordered accordingly.

7. In the result, appeal filed by the assessee is allowed for statistical purposes as indicated hereinabove.

Pronounced in the open Court on 30<sup>th</sup> September, 2024.

Sd/-  
(दुव्वूरु आर.एल रेड्डी)  
(DUVVURU RL REDDY)  
न्यायिकसदस्य/JUDICIAL MEMBER

Dated :30/09/2024  
OKK - SPS

आदेश की प्रतिलिपि अग्रेषित / Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee – Jastiyamini Satya Prabha, Pedamaduru Village & Post, Amaravathi Mandal, Guntur, Andhra Pradesh-522020.
2. राजस्व/The Revenue – The Income Tax Officer, Ward-2(3), O/o. ITO. Lakshmipuram Main Road, Guntur, Andhra Pradesh – 522006.
3. The Principal Commissioner of Income Tax,
4. आयकर आयुक्त (अपील)/ The Commissioner of Income Tax (Appeals),
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, विशाखापटणम/ DR, ITAT, Visakhapatnam
6. गार्ड फ़ाईल / Guard file

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam