

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'F': NEW DELHI**

**BEFORE SHRI S.RIFAUR RAHMAN, ACCOUNTANT MEMBER
and
SHRI SUDHIR KUMAR, JUDICIAL MEMBER**

**ITA No.3436/DEL/2024
(Assessment Year : 2017-18)**

Paras Jain HUF,
158, Sandesh Vihar, Pitampura,
New Delhi – 110 034.

vs.

ITO, Ward 43 (1),
New Delhi.

(PAN : AANHP8779E)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Saurav Rohatgi, CA
Shri Rajat Mittal, CA

REVENUE BY : Ms. Harpreet Kaur Hansra, Sr. DR

Date of Hearing : 19.11.2024

Date of Order : 27.11.2024

ORDER

PER S.RIFAUR RAHMAN,AM:

1. This appeal is filed by the assessee against the order of Id. Commissioner of Income-tax Appeals/National Faceless Appeal Centre (NFAC) (hereinafter referred to 'Ld. CIT (A)' dated 25.03.2024 for AY 2017-18.
2. Brief facts of the case are, Paras Jain (HUF), the assessee has filed its return of income for the year under consideration declaring income of Rs.4,35,910. The assessee was the proprietor of M/s. Aaradhya Jewellers and deals in the trading of Gold and Diamond jewellery. The return of income was processed u/s 143(3) of the Income-tax Act, 1961 (for short 'the Act') and thereafter, the case

was selected for complete scrutiny through CASS. The assessee has deposited cash of Rs.44,50,000/- in his bank account during the demonetization period. The Assessing Officer issued and served the notices u/s 143(2) and 142 (1) of the Act on the assessee. The Assessing Officer, after perusing the submissions of the assessee, completed the assessment u/s 143(3) of the Act by assessing the total income at Rs.69,71,091/- thereby raising the tax demand of Rs.53,47,888/-

3. Aggrieved, assessee preferred an appeal before the Id. CIT (A) who vide his impugned order dated 25.03.2024 dismissed the appeal of the assessee due to non-appearance during the appellate proceedings even though several opportunities were granted.
4. Aggrieved assessee is in appeal before us on the issues of sustenance of addition of Rs.44,50,000/- u/s 68 for cash deposits during demonetization period and Rs.20,85,181/- for outstanding sundry creditors and advance from customers by the Id. CIT (A).
5. At the time of hearing, Id. AR for the assessee brought to our notice that the Id. CIT (A) decided the issue against the assessee by observing that assessee has not pursued the appeal despite being granted several opportunities and the details are given in the first appellate order and by relying on several decisions, he dismissed the appeal in limine. He submitted that Id. CIT (A) has not decided the issue on merit and prayed that this issue may be remitted back to the Id. CIT(A) with the prayer to give an opportunity of being heard to the

assessee. He submitted that there are reasons for assessee for not appearing before the first appellate authority.

6. On the other hand, ld. DR for the Revenue objected to the submissions of the ld. counsel for the assessee and submitted that assessee has not utilised several opportunities granted by ld. CIT (A).
7. Considered the rival submissions and material placed on record. We observed that the additions were sustained by the ld. CIT (A) relating to cash deposits during demonetization period and for outstanding sundry creditors and advance from customers, and considering the additions sustained by the ld. CIT (A), in our considered view, assessee should be given one more opportunity of being heard on merit. Therefore, we direct ld. CIT (A) to give an opportunity of being heard to the assessee and decide the issue on merit as per law. We also direct assessee to make proper submissions and appear before the ld.CIT (A) on the date of hearing and cooperate with the tax authorities. Accordingly, the appeal filed by the assessee is allowed for statistical purposes.
8. In the result, the appeal filed by the assessee is allowed for statistical purposes

Order pronounced in the open court on this 27th day of November, 2024.

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

**sd/-
(S.RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

**Dated: 27.11.2024
TS**

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI