

THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH, SURAT

Through Hybrid Mode

**Before Ms. Suchitra Kamble, Judicial Member
And Shri Bijayananda Pruseth , Accountant Member**

**ITA Nos. 213 & 214/Srt/2025
Assessment Year 2016-17**

Naresh Harkisandas Madrasi, 2/493, Diwanji Ni Wadi, Rustompura, Surat PAN: ACRPM0599B (Appellant)	Vs	ITO, Ward-1(2)(3), Aaykar Bhavan, Near Majura Gate, Opp. New Civil Hospital Surat-395001 (Respondent)
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**Assessee by: Shri P.M. Jagasheth, A.R.
Revenue by: Shri Ajay Uke, Sr. D.R.**

Date of hearing : 16-07-2025
Date of pronouncement : 08-08-2025

आदेश/ORDER

Per Suchitra Kamble, Judicial Member:

These two appeals filed are against the order dated 03-01-2025 passed by PCIT(Central), Delhi for assessment year 2016-17.

2. The grounds of appeal are as under:-

ITA No. 213/Ahd/2025

"1 On the facts and circumstances of the case as well as law on the subject, the Ld Commissioner of Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in in making addition of Rs.52,47,046/- on account of source of entire credits / sales receipts / turnover treated as alleged unexplained credit u/s. 68 rws. 115BBE of the Income Tax Act, 1961.

2. On the facts and circumstances of the case as well as law on the subject, the Ld. Commissioner of Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in not accepting turnover and making huge addition of Rs.52,47,046/- from Gross turnover/sales of Rs.56,97,576/- (Less) Total Income declared in Return income of Rs.4,50,530/- and treated as alleged unexplained credit u/s.68 of the Income Tax Act, 1961.

3. On the facts and circumstances of the case as well as law on the subject, the Ld. Assessing Officer has erred in initiating penalty proceedings a/s 271(1)(c) of the Income Tax Act, 1961.

4. On the facts and in the circumstances of the case as well as law on the subject, the learned Commissioner of the Income Tax (Appeals) has not offered adequate opportunities to hear and passed ex-parte order. Hence the case may please be set aside and restored back to the CIT(A) or AO for sake of the interest of natural Justice.

5. It is therefore prayed that the above addition may please be deleted as learned members of the tribunal may deem it proper.

6. Appellant craves leave to add, alter or delete any ground(s) either before or in the course of the hearing of the appeal.”

ITA No. 213/Ahd/2025

“1 On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer has erred in levying Penalty of Rs 10,000/- U/s. 271(1)(b) of the Income Tax Act, 1961.

2. On the facts and in the circumstances of the case as well as law on the subject, the learned Commissioner of the Income Tax (Appeals) has not offered adequate opportunities to hear and passed ex-parte order. Hence, the case may please be set aside and restored back to the CIT(A) or A.O for sake of the interest of natural justice.

3. It is therefore prayed that the above addition may please be deleted as learned members of the tribunal may deem it proper.

4. Appellant craves leave to add, alter or delete any ground(s) either before or in the course of the hearing of the appeal.

3. The return of income for the assessment year 2016-17 was filed on 31-03-2017 declaring total income at Rs. 4,50,530/-. The case was selected under limited scrutiny for the reason that whether value of exports and imports has been correctly shown in return of income or not. Statutory notices were issued but the assessee has not given the details and has not filed any submissions. The Assessing Officer made addition of Rs. 52,47,046/- u/s. 68 of the Act as unexplained credits. The

Assessing Officer held that the assessee failed to explain the source of new credits/sales receipts/turnover of Rs. 56,97,576/- for the year under consideration.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The ld. A.R. submitted that as the assessee was not able to furnish the details related to the entire credits/sales receipts at the time of assessment proceedings as well as before the CIT(A) due to unavoidable circumstances, the matter may be remanded back to the file of the Assessing Officer for proper adjudication of the issues after verifying the evidences filed by the assessee.

6. The ld. D.R. relied upon the assessment order and the order of the CIT(A).

7. We have heard both the parties and perused all the material available on record. It is pertinent to note that before the Assessing Officer as well as before the CIT(A), the assessee has not opted to submit the details related to the source of entire credits/sales receipts/turnover for the year under consideration. It will be proper to remand back the matter to the file of the Assessing Officer for proper verification of the evidences in respect of the said issues and adjudicate the same as per Income Tax Provisions. The assessee be given opportunity of hearing by following principles of natural justice. Since the assessee has not opted to appear both the authorities on earlier occasions, it will be appropriate to direct the assessee to pay Rs. 5000/- to the Prime Minister National Relief Fund within the period of two

weeks from the date of receipt of this order. Thus, ITA No. 213/Srt/2025 filed by the assessee is partly allowed for statistical purposes.

8. As regards to ITA No. 214/Srt/2025 is related to the consequential penalty imposed u/s. 271(1)(b) of the Income Tax Act, the said issue is also remanded back as per the finding given hereinabove in quantum appeal.

9. In the result, both the appeals of the assessee are partly allowed for statistical purpose.

Order is pronounced under provision of Rule 34 of ITAT Rules, 1963 on 08-08-2025.

Sd/-
(Bijayananda Pruseth)
Accountant Member

Sd/-
(Suchitra Kamble)
Judicial Member

Ahmedabad : Dated 08/08/2025 TRUE COPY

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Surat
6. Guard file.

By order,
Assistant Registrar,
Income Tax Appellate Tribunal,
Surat