

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "C", DELHI**

**BEFORE SH. M BALAGANESH, ACCOUNTANT MEMBER
AND
SH. SUDHIR KUMAR, JUDICIAL MEMBER**

ITA No.2993/DEL/2025
Assessment Year: 2017-18

Dharam Pal Singh S/o Sh. Ram Prasad Jatavvir, B-3 Prabhat Naga, P.W.D. Colony Meerut <u>Uttar Pradesh</u> PAN No. AEBPS5118N	Vs.	Income -Tax Officer Ward1(2) (1) Meerut
(APPELLANT)		(RESPONDENT)

Appellant by	Sh. None
Respondent by	Sh. Om Prakash Sr, DR

Date of hearing:	09/09/2025
Date of Pronouncement:	19/09/2025

ORDER

PER SUDHIR KUMAR, JUDICIAL MEMBER:

This appeal by the assessee is directed against the order of the National Faceless Appeal Centre (NFAC) Delhi [hereinafter referred to as "Ld. NFAC)"] vide order dated 06-03-2025 pertaining to A.Y. 2017-18 arising out the assessment order

dated 31-12-2019 u/s.144 of the Income-tax Act, 1961, (in short 'the Act').

2. The assessee has raised the following ground in appeal :-

Learned Commissioner of Income –Tax was erred in dismissing the appeal on ex-parte basis without affording sufficient opportunity of being heard. Learned assessing officer was also erred in treating the entire deposit of business receipts in bank account as income.

3. The brief facts of the case are that the assessee had deposited substantial cash in bank account during the demonetization period (8th November, 2016 to 30th December, 2016). On the basis of the information gathered during the first phase of online verification under "Operation Clean Money" notice u/s 142(1) of the Act was issued to the assessee for filing the return of income for Assessment year 2017-18. The assessee did not file the return of income for A.Y. 2017-18 till 31-03-2018. The assessee did not complied the notices and Assessing Officer completed the assessment after making the addition of Rs. 5,01,77,076/- under section 69A of the Act.

4. Aggrieved the order of the AO the assessee preferred the appeal before the Ld. NFAC who vide its order dated

06-03-2025 dismissed the appeal. Being aggrieved the order of the Ld. NFAC the assessee is in appeal before the Tribunal.

5. Learned authorized representative for Department of Revenue submitted that departmental authorities have passed reasoned orders. He also submitted that the assessee has not taken part in the proceedings before the Ld. NFAC. The appeal was rightly rejected by the Ld. NFAC. None is present for assessee.

6. We have heard the Ld. DR and perused the material available on record. It is an admitted fact that despite opportunities granted by Ld. NFAC, the assessee did not file his submissions, for which the appeal was dismissed ex-parte by the Ld. NFAC.

7. Since in the instant case the assessee has failed to file his submission after availing the various opportunities. The assessee did not appear before the lower authorities. The Ld. NFAC dismissed the appeal on account of non-prosecution. The appeal should be decided on merit as per the provision of the section 250 of the Act. Therefore,

considering the totality of the facts and circumstances of the case and in the interest of justice, we deem it fit and proper to restore the issue to the file of the Ld. NFAC with a direction to grant one final opportunity to the assessee to substantiate its claim and decide the issue as per fact and law. The assessee is also directed to appear before the Ld. CIT(A)/NFAC and co-operate in the proceedings. The grounds raised by the assessee are accordingly allowed for statistical purposes.

8. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court 19.09.2025.

Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Sd/-
(SUDHIR KUMAR)
(JUDICIAL MEMBER)

Date: 19.09.2025

SR Bhatnagar

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT DELHI