

**IN THE INCOME TAX APPELLATE TRIBUNAL  
JABALPUR BENCH, JABALPUR  
(Through virtual mode)**

**BEFORE SH. KUL BHARAT, VICE PRESIDENT  
AND  
SH. NIKHIL CHOUDHARY, ACCOUNTANT MEMBER**

ITA No.58/JAB/2025  
A.Y. 2017-18

Ramesh Goswami, Ward No.10, Rajabar Village Rajbandh, Madhya Pradesh	vs.	Income Tax Officer
<b>PAN:AOGPG5212A</b>		
(Appellant)		(Respondent)

Assessee by:	Sh. Neeraj Agrawal, C.A.
Revenue by:	Sh. Shravan Kumar Meena, CIT DR
Date of hearing:	20.08.2025
Date of pronouncement:	25.09.2025

**ORDER**

**PER NIKHIL CHOUDHARY, A.M.**

This is an appeal filed by the assessee against the order of the Id. CIT(A), NFAC dismissing the appeal of the assessee against the order of the Id. AO passed under section 144 on 10.12.2019. The grounds of appeal are as under:-

*“1. That the learned CIT(A) erred in concluding that the scheme notified u/s 143(3A) is effective from AY 2018-19 whereas it was made effective from 01.04.2018 and hence all orders passed 1 after 01.04.2018 are covered by the same. Hence, the order passed u/s 144 cannot be made by way of e-assessment and hence, the order is bad-in-law and in facts, and the same should be deleted.*

*2. That the Learned CIT(A) erred in confirming the action of the Learned Assessing Officer (AO) in making an addition without identifying any discrepancies or shortcomings in the Audited Balance Sheet and Profit & Loss Account as filed by the assessee on the Income Tax Portal. The net profit computed therein matches the returned income. In the absence of any specific defect or inconsistency, the addition made is unjustified, bad in law, and should be deleted.*

*3. That the Learned CIT(A) erred in confirming the addition of? 5,74,67,975/- as unexplained money under section 69A, despite the fact that the said amount was duly recorded in the books of accounts. In the absence of any justification for*

*treating the sum as unexplained, the addition is unjustified, bad in law, and should be deleted.*

*4. The Learned Commissioner of Income Tax (Appeals) erred in confirming the addition of cash withdrawals from the appellant's own bank account and its subsequent redeposit as unexplained money. Therefore, the addition made is bad in law and deserves to be deleted.*

*5. That the learned CIT (A) rejected the appeal without providing sufficient opportunity of being heard as no notice towards appeal was ever served to the assessee. Hence, the order passed is bad in law and should be deleted and the matter should be remanded back to the assessing officer.*

*6. That the learned CIT(A) erred in disposing of appeal without considering the grounds of appeal raised by the appellant.*

*7. That the Assessee craves leave to raise any other ground/s on or before the date of hearing to prove that the order of the CIT(Appeal) is bad.”*

2. The facts of the case are that the Department received information that during the F.Y. 2016-17, relevant to the assessment year 2016-17, relevant to the assessment year 2017-18, the assessee deposited cash amounting to Rs. 5,74,67,695/- into his savings bank account. He filed an ITR on 15.11.2017 showing his total income at Rs.7,45,280/-. The case was selected for scrutiny and accordingly notices were issued. The ld. AO recorded the fact that he had given ample opportunities for the assessee to present his case but the assessee did not respond to any of his notices and therefore was not interested in representing his case before the ld. AO. Accordingly, he concluded that he had no option left, but to resort to the provisions of section 144 of the Income Tax Act, 1961 and make a best judgment assessment on the basis of material on record. Since the assessee had not furnished any information, the ld. AO held that the cash deposits in the bank account could not be explained. Therefore, he treated the entire cash deposits amounting to Rs. 5,74,67,695/- that had been made by the assessee during the financial year as unexplained money under section 69A and added the same to the income of the assessee. He brought the same to tax under section 115BBE and also initiated penalty proceedings under section 271AAC of the Income Tax Act.

3. Aggrieved with the said assessment order, the assessee went in appeal before the Id. CIT(A), NFAC. The Id. CIT(A), recorded that he issued several notices seeking a detailed response in support of the grounds of appeal and the statement of facts, which were extremely cryptic but no such response was received. He, therefore, after analyzing the materials of the case, issued a show cause notice to the assessee in which the assessee was asked to explain the deposits of Rs. 5,74,67,695/- in the light of his own statement that his total receipts from construction and liquor trading business were to the tune of Rs.3,33,33,192/-. However, the Id. CIT(A) recorded that the assessee did not submit any reply to this show cause notice also. Therefore, after quoting from several decisions of various Courts which held that the principles of natural justice could not be said to have been violated if the assessee had been given opportunities and sought repeated adjournments, the Id. CIT(A) held that the assessee had not been able to satisfactorily explain the said deposits and he did not find any reason to differ from the conclusions drawn by the Id. AO on the basis of bald assertions not backed up by any evidence. Accordingly, he dismissed the said appeal.

4. The assessee is aggrieved at this dismissal of his appeal and has accordingly come before us. Sh. Neeraj Agarwal, C.A. (hereinafter referred to as the Id. AR) submitted that the assessee was unaware about the assessment proceedings. It had got its books of accounts audited by a Chartered Accountant and submitted an Audit Report alongwith the return of income. No notice had been served upon the assessee and therefore, the assessee was not aware about the fact of the assessment. He only came to know about the assessment order once his account had been frozen by the Income Tax Department and therefore, he had preferred appeal before the Id. CIT(A). It was further argued that the Id. CIT(A) had not listed out the opportunities that had been provided in his order and it was submitted that this was because the assessee had not been provided

adequate opportunity. It was prayed that if the assessee was provided adequate opportunity, he was in a position to demonstrate that the amounts credited to the bank account were not unexplained but duly explained by the receipts from liquor and construction business. Accordingly, it was prayed that the matter may kindly be sent back to the lower authorities for re-assessment.

5. On the other hand, Sh. Shravan Kumar Meena, CIT DR (hereinafter referred to as the ld. DR) pointed out that the assessee had been given due opportunities both by the ld. AO and the ld. CIT(A), but had shown complete negligence to the assessment proceedings. Therefore, the additions made by the ld. AO and confirmed by the ld. CIT(A) deserved to be upheld. The ld. CIT DR also submitted that in case the Tribunal was of the opinion that the matter was required to be sent back, then proper directions should be given to the assessee to make compliance failing which an adverse influence may be held against the assessee for failure to make such compliance.

6. We have duly considered the facts and circumstances of the case. We find that the assessee has not made proper compliance before the ld. AO and the ld. CIT(A) on the grounds that he was unaware of the proceedings. We believe that having faced an *ex parte* order during assessment, the assessee should have been more vigilant about the appeal that had been filed by the assessee himself. Be that as it may, we note that the assessee is running a Construction and a Liquor business and has audited accounts whereby substantial portions of the deposits made by the assessee are sought to be explained. Accordingly, in the interest of justice, we deem it fit to restore the matter back to the file of the ld. AO with a direction to the assessee to make due and proper compliance before the ld. AO so that the cash deposited in his bank account may be explained to the satisfaction of the ld. AO. The ld. AO may

thereafter consider the evidences placed and pass a fresh order in accordance with law.

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

Order pronounced on 25.09.2025 in the open Court.

***Sd/-***

**[KUL BHARAT]  
VICE PRESIDENT**

DATED:25/09/2025

<sup>Sh</sup>

Copy forwarded to:

1. Appellant -
2. Respondent -
3. CITDR , ITAT,
4. CIT,
5. The CIT(A)

***Sd/-***

**[NIKHIL CHOUDHARY]  
ACCOUNTANT MEMBER**

By order  
Sr. P.S.