

IN THE INCOME TAX APPELLATE TRIBUNAL

"SMC" BENCH, NAGPUR

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA no.410/NAG/2025

(Assessment Year :2014-15)

Eknath Shankarrao Kawarkhe,
1, Jaipur, B.O. Washim -444507,
Maharashtra,
PAN-CIPPK2836K

..... Appellant

v/s

I T O ward 10(2),
BSNL RTC Building,
Civil Lines,Nagpur-444000,
Maharashtra.

..... Respondent

Assessee by: Ms.Madhavi Joshi, A.R.

Revenue by :Shri Surjit Kumar Saha, Sr.DR

Date of Hearing – 13/10/2025

Date of Order – 14/10/2025

ORDER

The assessee has filed the appeal against the ex parte order dated 07/02/2025, passed by the learned CIT(A)/National Faceless Appeal Centre(NFAC), Delhi, u/sec 147 r.w.s. 144 and sec 250 of the Income Tax Act, 1961 (for short "*the Act*") for the A.Y. 2014-15. The assessee has raised following grounds of appeal:-

"1. In the facts and circumstances of the case and in law, the learned Assessing Officer has erred in law by initiating proceedings u/s 148 of the act when the information was received by the revenue in pursuance to search and seizure operations conducted by the Investigation Department.

2. In the facts and circumstances of the case and in law, the learned Assessing Officer has erred in completing the assessment proceedings without providing all the reasons and source of information for reopening before the issue of Notice us 148 of the Act and thus violating the law laid down by Honorable Supreme Court in the case of GKN Driveshafts (India) Ltd. v. D.C.I.T. (2003) 259 ITR 19 (SC).

3. In the facts and circumstances of the case and in law, the learned Assessing Officer has erred in recording reasons for reopening in the standard template, merely on surmises and conjectures without any tangible material and mechanically, without any independent application of mind

4. In the facts and circumstances of the case and in law, the Learned Assessing Officer has erred in initiating the assessment u/s 147 by obtaining a mere mechanical sanction u/s 151 from Addl./ Joint CIT and thus violating the law laid down by Honorable Supreme Court in the case of Chhugamal Rajpal v. SP Chaliha (1971) 79 ITR 603.

5. In the facts and circumstances of the case and in law, the learned Assessing Officer has erred in making addition of Rs 48,91,000/- as unexplained income u/s 69A of the Act.

6. The appellant craves leave to add, alter, delete or modify all or any of the above grounds of appeal. All the above grounds are without prejudice to each other."

2. At the time of hearing, the Ld.AR of the assessee submitted that there is a delay of 61 days in filing the appeal before the Hon'ble Tribunal and the assessee has filed an application and affidavit for condonation of delay explaining the sufficient cause. Whereas the facts mentioned in the Affidavit/ application are reasonable and the learned D.R. has no specific objections. Accordingly, the delay is condoned and the appeal is admitted.

3. The brief facts of the case are that, the assessee has not filed the return of income for the A.Y.2014-15. The Assessing Officer has received information that the assessee has deposited Rs.48,91,000/- in the bank account maintained with M/s. Shri Renuka Mata Multi State Urban Co-operative Credit Society Ltd in the F.Y.2013-14 and the majority deposit amounts are in cash. The Assessing Officer has reason to believe that the income has escaped assessment and has issued notice u/sec 148 of the Act. Further notice u/sec 142(1) of the Act along with questionnaire was issued to substantiate the cash deposits with the sources and evidences and there was no compliance. Whereas the Assessing Officer has considered the information on record and invoked the provisions of section 144 of the Act and made best judgment assessment by making addition of unexplained money u/sec 69A of the Act and assessed the total income of Rs.48,91,000/- and passed order u/sec 147 r.w.s. 144 dated 18/03/2022. Aggrieved, the assessee filed appeal before the CIT(A).

4. In appellate proceedings, the CIT(A) has considered the grounds of appeal, statement of facts, findings of the Assessing Officer and issued notices of hearing and since there was no compliance to the notices by the assessee, the CIT(A) considering the information on record has confirmed the action of the Assessing Officer and dismissed the appeal of the assessee. Aggrieved by the order of the CIT(A), the assessee has filed appeal before the Hon'ble Tribunal.

5. At the time of hearing, the Ld.A.R. for the assessee submitted that the CIT(A) has erred in sustaining action of the assessing officer overlooking the proceedings. Further, the Ld.AR submitted that the assessee is suffering with medical illness and has a good case on merits and prayed for an opportunity to substantiate the claim with material evidences before the lower authorities. The Ld.AR substantiated the submissions with the facts and judicial decisions Per Contra, the Ld.DR relied on the order of the CIT(A).

6. Heard the rival submissions and perused the material available on record. The CIT(A) has dismissed the assessee's appeal, as there was no compliance to the notices issued on various dates referred at Page 5 Para4 of the order. Further the CIT(A) is of the opinion that the assessee is not interested in prosecuting its appeal and has confirmed the action of the Assessing Officer. Whereas, the assessee has raised grounds of appeal challenging the addition u/sec69A of the Act by the assessing officer. There could be various reasons for non-compliance by the assessee which cannot be ruled out. Hence, considering the facts, circumstances, and to meet the ends of justice, the assessee should be provided with one more opportunity for hearing. Accordingly, the order of the CIT(A) is set aside and restore the disputed issues to the file of the Jurisdictional Assessing Officer to adjudicate issue afresh on merits and the assessee should be provided adequate opportunity of hearing and the

assessee should also co-operate in submitting the information. And the grounds of appeal of the assessee are allowed for statistical purposes.

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

Order pronounced in the open court on 14/10/2025.

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Copy of the order forwarded to:

- (1) *The Assessee;*
- (2) *The Revenue;*
- (3) *The PCIT / CIT (Judicial);*
- (4) *The DR, ITAT, Nagpur; and*
- (5) *Guard file.*

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur