

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH "SMC" SURAT**

**BEFORE SHRI SANDEEP GOSAIN (JUDICIAL MEMBER)
AND
SHRI OM PRAKASH KANT (ACCOUNTANT MEMBER)**

**ITA No. 918/SRT/2025
Assessment Year: 2013-2014**

Madangopal Ramkumar Sikawat,
11-1572, Radhakrishna Textile
Market, Ring Road,
Surat-395002.

**PAN NO. AWGPS 7288 G
Appellant**

Vs. ITO, Ward 1(2)(1),
Aayakar Bhavan, Majuragate,
Surat-395007.

Respondent

Assessee by : Mr. Rajesh C. Shah, CA
Revenue by : Shri Ajay Uke, Sr. DR

Date of Hearing : 07/10/2025
Date of pronouncement : 30/10/2025

ORDER

PER OM PRAKASH KANT, AM

This appeal by the assessee is directed against order dated 26.06.2025 passed by the Ld. Commissioner of Income-tax (Appeals) – National Faceless Appeal Centre, Delhi [in short ‘the Ld. CIT(A)’] for assessment year 2013-2014, raising following grounds:

1. *The Ld AO was not justifying in initiating penalty u/s 271(1)(c) of the IT Act, 1961, and also the Ld. CIT(A) has erred in confirming the same*
2. *The Ld AO was not justifying in levying penalty u/s 271(1)(c) of the I.T. Act, 1961 for Rs 9,55,042/-, also the Ld. CIT(A) has erred in confirming the same.*



2. Briefly stated, the facts giving rise to the present appeal are that the assessment in the case of the assessee was completed under section 147 read with section 144 of the Income-tax Act, 1961 (hereinafter referred to as “the Act”) vide order dated 30.03.2022, wherein the Assessing Officer (AO) made an addition of ₹30,90,752/- to the total income of the assessee. Consequent **to such addition, the AO initiated penalty proceedings under section 271(1)(c) of the Act, alleging concealment of particulars of income and furnishing of inaccurate particulars thereof.**

2.1 Subsequently, a detailed show-cause notice was issued to the assessee on 05.08.2022, providing an opportunity to explain as to why penalty under section 271(1)(c) should not be levied. However, no compliance was made by the assessee to the said notice. Consequently, the AO proceeded to levy penalty vide order dated 22.09.2022.

2.2 Aggrieved, the assessee preferred an appeal before the Learned Commissioner of Income Tax (Appeals) [hereinafter referred to as “the CIT(A)”]. The record reveals that during the course of the appellate proceedings, the assessee did not respond to the multiple notices issued by the Ld. CIT(A). The relevant details of such notices, as recorded in paragraph 4.1 of the impugned order, are reproduced below for ready reference:

| S.No. | Date of Notice issued | Date of compliance | Remarks | Notices sent to Mailids |
|-------|-----------------------|--------------------|-------------|--|
| 1. | 13.04.2023 | 27.04.2023 | No reply | madangopalsikawat@gmail.com |
| 2. | 14.10.2024 | 21.10.2024 | Adjournment | -do- |
| 3. | 13.05.2024 | 28.05.2024 | Adjournment | -do- |
| 4. | 13.06.2025 | 20.06.2025 | | -do- |



2.3 Despite repeated opportunities, no effective compliance was made. Accordingly, the Ld. CIT(A) dismissed the appeal and upheld the penalty order passed by the Assessing Officer.

3. We have heard rival submissions of the parties and perused the relevant material on record. Before us, the Ld. Counsel for the assessee submitted that the assessee could not respond to the notices earlier due to certain genuine and unavoidable circumstances. It was further submitted that the assessee is now willing and prepared to furnish all necessary documents, explanations, and evidences to substantiate that the penalty levied under section 271(1)(c) is not sustainable in law.

3.1 The Ld. Counsel also stated that the assessee wishes to raise additional legal grounds challenging the jurisdiction of the Assessing Officer in initiating penalty proceedings and, therefore, prayed that one more opportunity be granted by remitting the matter to the Ld. CIT(A) for fresh adjudication.

3.2 The Ld. Departmental Representative (DR), on the other hand, supported the orders of the lower authorities, contending that adequate opportunities were already granted and that the assessee failed to avail the same.

4. We have carefully considered the rival submissions and perused the material placed on record. It is an undisputed position that the Ld. CIT(A) has dismissed the appeal for non-



compliance without examining the contentions or merits of the case due to non compliance on the part of assessee.

4.1 Having regard to the totality of facts and guided by the principles of substantial justice, we are of the considered view that the ends of justice would be best served if the assessee is afforded one more opportunity to present her case before the Ld. CIT(A).

4.2 In the light of the foregoing discussion, and in the interest of justice and fair play, we deem it appropriate to set aside the impugned order of the Ld. CIT(A) and restore the matter to his file with a direction to decide the appeal de novo, after taking into consideration the submissions and evidences that may be furnished by the assessee and after affording her an adequate opportunity of being heard in accordance with law.

4.3 We clarify that the assessee shall cooperate in the proceedings before the Ld. CIT(A) and shall not seek unwarranted adjournments. The CIT(A), in turn, shall pass a reasoned and speaking order, dealing with all contentions raised, including any legal grounds that the assessee may raise.

4.4 Accordingly, the grounds of appeal raised by the assessee are allowed for statistical purposes.



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

**Order pronounced under Rule 34(4) of ITAT Rule, 1963
on 30/10/2025.**

**Sd/-
(SANDEEP GOSAIN)
JUDICIAL MEMBER**

**Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER**

Surat;

Dated: 30/10/2025

Rahul Sharma, Sr. P.S. (on Tour)

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Surat
5. Guard file.

//True Copy//

BY ORDER,
(Assistant Registrar)
ITAT, Surat