

IN THE INCOME TAX APPELLATE TRIBUNAL, DIVISION BENCH, JODHPUR

HEARING THROUGH: VIRTUAL MODE

BEFORE: SHRI. LALIET KUMAR, JM & DR. MITHA LAL MEENA, AM

ITA No. 515/Jodh/ 2024
Assessment Year 2017-18

Mahendra Singh Rathore, Harsh Road, T. Bilara Rajasthan-342602	Vs.	The ITO Ward-3(5), Jodhpur
PAN NO: ADEPR3974P		
Appellant		Respondent

Assessee by : Ms. Divya Phophalia, C.A
Revenue by : Shri Arvind Kumar Gehlot, Addl. CIT-DR
Date of Hearing : 08/10/2025
Date of Pronouncement : 30/10/2025

आदेश/Order

PER LALIET KUMAR, J.M:

This appeal by the assessee is directed against the order dated 30.05.2024 passed by the Ld. CIT(A), NFAC, Delhi, for the Assessment Year 2017-18, arising out of assessment order dated 02.12.2019 passed u/s 144 of the Income-tax Act, 1961.

2. Briefly the facts of the case are that the assessee is engaged in the business of trading agro-commodities under the name and style of *M/s Kishan Singh Mahendra Singh Rathore*. For the relevant year, return of income was filed on 30.03.2018 declaring total income of Rs.5,88,130/-.

2.1 The case was selected for scrutiny under CASS for the limited purpose of examination of cash deposits during the demonetisation period. Notices issued u/s 143(2) and 142(1) remained un-complied. Consequently, the Ld. AO passed ex-parte order u/s 144 of the Act, making various additions including addition of Rs.25,68,000/- u/s 69A towards unexplained cash deposits.

3. Against the order of the AO the assessee went in appeal before the Ld. CIT(A). The Ld. CIT(A) confirmed major additions except partly allowing deduction u/s 80C.

4. Against the order of the Ld CIT(A) the assessee preferred an appeal before the Tribunal.

5. During the course of hearing the Ld. AR submitted that the assessee was prevented by sufficient cause from complying with notices of the Assessing Officer and from pursuing the appellate proceedings before the CIT(A).

5.1 It was specifically submitted that due to ill-health and prolonged illness, the assessee could neither attend assessment proceedings nor effectively file submissions before the Ld. CIT(A). The illness, being a reasonable cause, was pleaded to be taken into consideration while condoning non-compliance.

5.2 It was further argued that the assessee is in a position to file necessary supporting documents such as audited books of account u/s 44AB, confirmations of unsecured loans, receipts from Krishi Upaj Mandi Samiti, and proof of agricultural income, if one more opportunity is granted.

5.3 The Ld. AR therefore prayed that in the interest of justice, the matter may be set aside to the file of the CIT(A) for fresh adjudication after giving due opportunity to the assessee.

6. The Ld. DR, on the other hand, strongly relied upon the orders of the Assessing Officer and the CIT(A).

6.1 It was submitted that despite several opportunities granted both at the assessment as well as appellate stage, the assessee remained non-compliant. Notices u/s 143(2), 142(1) and show-cause notices were issued from time to time but no satisfactory compliance was made.

6.2 The DR argued that the additions were made on the basis of cash deposits which were duly reflected in bank accounts, and in the absence of any explanation or supporting evidence, the action of the AO and the confirmation by CIT(A) was fully justified.

6.3 It was therefore contended that no interference is called for in the order of the Ld. CIT(A).

7. We have heard rival submissions and perused the record. It is evident that the assessment was framed ex-parte u/s 144 and even before the Ld. CIT(A), the assessee could not furnish complete evidence in support of his claims.

7.1 At the same time, we find merit in the submission of the Ld. AR that the assessee was prevented by reasonable cause, namely illness, from effectively pursuing the proceedings. The principles of natural justice require that an assessee be afforded adequate opportunity to present his case.

7.2 Considering the facts and circumstances, and in the interest of justice, we deem it appropriate to set aside the impugned order and restore the matter back to the file of the Ld. CIT(A) with a direction to adjudicate the appeal afresh after giving due opportunity to the assessee to file supporting documents and evidence.

7.3 Needless to add, the assessee shall cooperate and furnish all relevant details in support of his contentions, failing which the Ld. CIT(A) shall be at liberty to decide the appeal based on material available on record.

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

(Order pronounced in the open Court on 30/10/2025)

Sd/-
(DR. MITHA LAL MEENA)
ACCOUNTANT MEMBER
AG

Sd/-
(LALIET KUMAR)
JUDICIAL MEMBER

Copy of the order forwarded to :

1. The Appellant
2. The Respondent
3. CIT
4. The CIT(A)
5. DR, ITAT, JODHPUR
6. Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar