



**IN THE INCOME TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT**  
**BEFORE SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER**  
**&**  
**SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

**आयकरअपीलसं./ITA No. 1355/SRT/2024**  
**(निर्धारणवर्ष / Assessment Year: (2017-18))**

Sachinkumar Rajubhai Pranchvani 116, Darshan Nagar, Tal-Olpad, Surat – 394110	Vs.	Income Tax Office, wd-2(2)(4), Room No. 623, 6 <sup>th</sup> Floor, Aayakar Bhavan, Near Majura Gate, Opp. New Civil Hospital, Surat-395001
<b>स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: CUOPP5077J</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by : Shri Drashit Naik, CA  
Respondent by : Shri Ajay Uke, Ld. Sr. DR  
**Date of Hearing : 08/09/2025**  
**Date of Pronouncement : 28/11/2025**

**आदेश / O R D E R**

**Per, Dinesh Mohan Sinha, JM:**

Captioned appeal filed by the assessee, pertaining to Assessment Year 2017-18, is directed against the order dated 28.12.2023 passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as “the Act”), Commissioner of Income-tax (Appeal), and National Faceless Appeal Centre (NFAC), Delhi, which in turn arises out of an assessment order dated 30.11.2019 passed by the Assessing Officer, u/s. 144 of the Act.

2. Grounds of appeal raised by the assessee are as follows:

*“1) Both lower authorities erred in ignoring the facts and circumstances of the case, whilst making an addition of Rs. 10,01,020/-.*



- 2) *Both lower authorities erred in applying the provisions of section 68 of the Act and making an addition of Rs 10,01,020/-, when the source of the cash deposits were explained.*
- 3) *Both lower authorities erred in invoking the provisions of section 68 of the Act.*
- 4) *Both lower authorities erred in levying tax u/s 115BBE of the Act.*
- 5) *The Assessing officer erred in levying interest u/s 234A, 234B, 234C and 234D of the Act.*
- 6) *Without prejudice, the Learned Assessing Officer has erred in calculating the tax of the Appellant as per the higher rate of tax prescribed u/s. 115BBE as amended on 15/12/2016 instead of the tax rate of 30% as prescribed u/s 115BBE as it stood on the date on which the cash deposits were made.*
- 7) *Without prejudice, the Assessing Officer erred in not following the standard operating procedure to be followed in verification of cash transactions relating to demonetization issued by the Central Board of Direct Taxes vide instruction no. 03/2017.”*

3. Brief facts of the case that the assessee filed his return of income for A.Y. 2017-18 on 29.03.2018 declaring total income at Rs. 3,08,130/-. Case of the assessee was manually selected for scrutiny under CBDT guidelines for cash deposits during demonetization period and notice under section 143(2) of the Income tax Act 1961 was issued on 29.09.2018 and served upon the assessee by e-mail ID mention on the ITR/latest email ID. Thereafter notice u/s.142 (1) of the Act was issued on 14.02.2019, 24.08.2019, 07.10.2019 and 21.10.2019 along with detailed questionnaire which was duly served upon the assessee. In response to the notices u/s.142 (1) of the IT Act, the assessee did not submit any reply. The assessing officer noticed that assessee has deposited cash amounting to Rs 10,67,320/- during demonetisation period in account 5989002100000325 with Punjab National Bank. A show cause notice dated 16.11.2019 issued to the assessee requiring him to furnish his explanations alongwith evidences regarding cash deposits during demonetization period.

4. The assessee failed to comply with the notices. Hence, the source of cash deposited Rs.10,67,320/-during period of demonetization and in earlier date



remain unexplained by the assessee. Therefore, the undersigned has left with no other option but to complete the proceeding ex party u/s. 144 of the Act on the basis of material available on record. The income assessed at Rs. 13,09,150/- will an addition u/s. 68 of Rs. 13,09,150/-.

5. That the assessee filed an appeal against the order of the AO before the Ld.CIT(A). That the Ld.CIT(A) has dismissed the appeal with following remarks:

*“7.3 In the face of complete non compliance even during the appellate proceedings, vide this office notice u/s. 250 dated 21.12.2023, the appellant was specifically asked to file his submissions in support of the grounds of appeal filed by him latest by 27.12.2023. However, as already highlighted, no submission whatsoever has been made by the appellant during the appellate proceedings except for the statement of facts and grounds of appeal filed by him.*

*11. In the result, the appeal of the appellant is DISMISSED”*

6. That the assessee filed an appeal against the impugned order dated 28.12.2023 of the Ld.CIT(A) before this Tribunal.

7. During the course of hearing, the Ld. AR of the assessee submitted that the assessee could not comply with the notice. That the Ld. AR for the assessee prayed that one more opportunity should be given to the assessee to represent his case before the lower authority.

8. On the contrary, the Ld.DR for the revenue relied on the order of the Ld.CIT(A). However, the Ld. DR have no objection to the prayer of and the Ld. AR.

9. We have heard both the parties and perused the documents available on record, and also perused the order of Ld. CIT(A). We note that three notices have been issued by the Ld. CIT(A) for hearing of the case but there was no compliance made by the assessee, as a result the, Ld.CIT(A) passed an *ex-parte* order. We note that there was no proper adjudication in this case, we



accept the request of the Ld. AR for granting an opportunity to be heard. We also note that the assessment was ex-parte u/s. 144 of the Act. Thereafter, in the interest of justice, and after considering the facts and circumstances of the case, we are of the view that an opportunity should be given to the assessee to present his case before the Lower Authority. We set aside the order of the Ld.CIT(A) and remand the matter back to the file of Ld.JAO for fresh adjudication on merit after giving due opportunity to the assessee of being heard.

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

**Order pronounced in the open court on 28-11-2025.**

**Sd/-  
(Bijayananda Pruseth)  
Accountant Member**

**Sd/-  
(Dinesh Mohan Sinha)  
Judicial Member**

Surat

**दिनांक/** Date: 28/11/2025

**Copy of the Order forwarded to**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Surat
6. Guard File

// True Copy //

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Surat