

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH "C", MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
And
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

**ITA No.6850/M/2025
Assessment Year: 2017-18**

Prakash Jewellers, 31 B-1 2 nd Floor, Meghdoot, S V Road, Borivli West, Mumbai, Maharashtra - 400092 PAN : AAAFP4374Q	Vs.	ACIT 32 (2) Room No. 720, 7 th Floor, Kautilya Bhavan C-41 To C- 43 G Block Bandra East, Mumbai, Maharashtra 400051
(Appellant)		(Respondent)

Present for:

Assessee by : Shri Bhupendra Shah, Ld. A.R.
Revenue by : Shri Virabhadra Mahajan, SR. D.R.
Date of Hearing : 17.12.2025
Date of Pronouncement : 22.01.2026

O R D E R

Per : Narender Kumar Choudhry, Judicial Member:

This appeal has been preferred by the Assessee against the order dated 08.10.2025, impugned herein, passed by the National Faceless Appeal Centre (NFAC)/Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) u/s 250 of the Income Tax Act, 1961 (in short 'the Act') for the A.Y. 2017-18.

2. In the instant case, the Assessing Officer vide Assessment order dated 30.12.2019 has made an addition of Rs. 5,90,00,000/- being cash deposited, in Yes Bank by the

Assessee during the demonetization period, as unexplained cash credit under Section 68 of the Act.

3. The Assessee being aggrieved against the said addition/ the Assessment Order preferred first Appeal before the Ld. Commissioner.

4. The Ld. Commissioner though issued various notices to the Assessee, however as per impugned order, the Assessee made no compliance and/or neither filed any response nor made any request for adjournment and therefore, in the constrained circumstances, the Ld. Commissioner presumed that it is evident that the Assessee is not interested in filing any details for the ongoing Appellate proceedings or avail any opportunity under the principles of natural justice. In such, situation the only conclusion which can be drawn is that the Assessee is not interested in pursuing its Appeal.

5. Thus, the Ld. Commissioner in the constrained circumstances mentioned above, proceeded to decide the Appeal filed by the Assessee as ex parte. The Ld. Commissioner though acknowledged that the Assessee has filed various documents such as return of income, statement of total income, tax audit reports, annual accounts, notices issued under Section 142(1) of the Act, cash book for financial year 2016-2017, bank statements of Yes Bank, show-cause notice dated 24.12.2019, submission to A.O. in response to show-cause notice, month wise details for sale and purchase

and month wise stock summary, however, Ld. Commissioner held as under:

“ That filing the same documents without rebutting the findings by the A.O. serves no purpose. The Assessee has been non-compliant at the appellate stage. Even otherwise on merits, he did not see any reason to differ with the findings of the A.O., since he has given cogent reasons for making the addition and no attempt has been made by the Assessee to discharge its onus. The entire Assessment Order has been reproduced to evidence the facts brought out and Assessee has not refuted the same.”

7. Thus, on the aforesaid reasons, Ld. Commissioner dismissed the appeal of the Assessee, while affirming the decision of the Assessing Officer in making the addition under consideration.

8. We have given thoughtful consideration to the peculiar facts and circumstances of the case. The Assessee at the outset has demonstrated the facts, which are not in denial that in response to the notice dated 27.12.2020 issued by the Ld. Commissioner whereby the date of hearing was fixed on 11.01.2021, when the Assessee filed its response by way of paper-book containing various documents, as mentioned above and as acknowledged by the Ld. Commissioner in para no. 4.5 of the Order.

9. The Ld. Commissioner sidelined the aforesaid documents, just by mentioning that filing the same documents as filed before the A.O. during the assessment proceedings, without rebutting the findings made by the A.O., serves no purpose.

The Ld. Commissioner also made observations about the non-compliant attitude of the Assessee.

10. The Assessee before us has demonstrated the plausible reason for non-appearance/compliance before the Ld. Commissioner because of the medical reasons, as the Assessee had suffered heart attack and therefore, undergone bypass surgery, as reflects from the medical documents filed by the Assessee before us. It is not in controversy that the Assessee filed relevant documents and the issue involved also remains to be adjudicated in its right perspective and proper manner as the Assessee failed to rebut the findings of the A.O. by not attending first appellate proceedings due to medical exigencies. Thus, in view of the same, we are inclined, to remand back the instant case to the file of the Ld. Commissioner for decision afresh, suffice to say by affording reasonable opportunity of being heard to the Assessee.

11. We also deem it appropriate to direct the Assessee to re-file the relevant documents and submissions before the Ld. Commissioner and comply with the notices to be issued. We clarify that in case of default, the Assessee shall not be entitled for any leniency.

12. Thus in view of the above, the case is accordingly, remanded back to the file of the Ld. Commissioner for decision afresh.

13. In the result, the appeal filed by the Assessee is allowed for statistical purposes.

Order pronounced in the open court on 22.01.2026.

**Sd/-
(BIJAYANANDA PRUSETH)
ACCOUNTANT MEMBER**

**Sd/-
(NARENDER KUMAR CHOUDHRY)
JUDICIAL MEMBER**

RY
Sr. PS.

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.