

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

**Before Dr. BRR Kumar, Hon'ble Vice President
And Ms. Suchitra Kamble, Judicial Member**

**ITA Nos. 1233, 1234 & 1235/Srt/2025
Assessment Year 2017-18**

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| Nafishabibi Davji, 249 Masjid Falia, Kosad, Surat-394107 PAN: CIGPD4150E (Appellant) | Vs | The ITO, Ward: 2(3)(3) Surat (Respondent) |
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**Assessee by: Shri P M Jagasheth, C.A.
Revenue by: Shri Ashish Kumar, Sr. D.R.**

Date of hearing : 22-01-2026
Date of pronouncement : 16-02-2026

आदेश/ORDER

Per Suchitra Kamble, Judicial Member:

These three appeals are filed against the orders dated 25-07-2025 & 14-11-2025 passed by National Faceless Appeal Centre(NFAC), Delhi for assessment year 2017-18.

2. The grounds of appeals are as under:-

ITA No. 1233-Srt-2025

"1. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in passing ex-parte order u/s 144 rws 254 of the income tax act 1961.

2. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income

Tax (Appeals) has erred in confirming the action of the Assessing Officer in making addition of Rs. 18,30,000/- on account of cash deposited in bank account during the demonetization period treated as alleged unexplained income u/s 69A of the income tax act 1961.

3. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has not offered adequate opportunities to hear the case and passed ex-parte order and hence, the case may please be set aside and restored back to the CIT(A) or AO.

4. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in initiating penalty proceeding u/s. 271AAC of the Income Tax Act, 1961.

5. It is therefore prayed that the above addition may please be deleted as learned members of the tribunal may deem it proper.

6. Appellant craves leave to add, alter or delete any ground(s) either before or in the course of the hearing of the appeal.”

ITA No. 1234-Srt-2025

“1. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in initiating penalty proceedings u/s. 271AAC(1) of the Income Tax Act, 1961.

2 On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in levying penalty of Rs.1,41,367/-u/s. 271AAC(1) of the Income Tax Act, 1961.

3. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has not offered adequate opportunities to hear the case and passed ex-parte order, hence the case may please be set aside and restored back to the CIT(A) or AO for sake of interest of natural justice.

4. It is therefore prayed that the above penalty may please be deleted as learned members of the tribunal may deem it proper.

5. Appellant craves leave to add, alter or delete any ground(s) either before or in the course of the hearing of the appeal.”

ITA No. 1235-Srt-2025

“1. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in initiating penalty proceedings u/s.272A(1)(d) of the Income Tax Act, 1961.

2. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has erred in confirming the action of the Assessing Officer in levying penalty of Rs.10,000/- u/s. 272A(1)(d) of the Income Tax Act, 1961.

3. On the facts and in the circumstances of the case as well as the law on the subject, the learned Commissioner of the Income Tax (Appeals) has not offered adequate opportunities to hear the case and passed ex-parte order, hence the case may please be set aside and restored back to the CIT(A) or AO for sake of interest of natural justice.

4. It is therefore prayed that the above penalty may please be deleted as learned members of the tribunal may deem it proper.

5. Appellant craves leave to add, alter or delete any ground(s) either before or in the course of the hearing of the appeal.”

3. The return of income was filed on 31-03-2018 declaring total income at Rs. 3,45,080/- for assessment year 2017-18. The Assessing Officer observed that the assessee made cash deposits during demonetization period into bank accounts namely; Central Bank of India and Surat District Co-operative Bank Ltd., amounting to Rs. 18,30,000/-. Despite giving several notices, the assessee did not reply and therefore the Assessing Officer passed assessment order u/s. 144 of the Act thereby making addition of Rs. 18,30,000/- as unexplained money u/s. 69A of the Act. The Assessing Officer also initiated penalty proceedings u/s. 271AAC(1) and 272A(1)(d) of the Act.

4. Being aggrieved by the assessment order, the assessee filed belated appeal before the CIT(A) due to the reason that the assessee was unaware about online income tax proceedings as well as lost the family members on 07-08-2019 and on 02-03-2024. Beside this on 24th March, 2020 there was a Covid pandemic. The CIT(A) dismissed the appeal of the assessee due to the delay as well as non-appearance on the part of the assessee.

5. There is a delay of 52 days in filing the present appeals for which the assessee has given the details before the Tribunal. Hence, the delay is condoned.

6. The ld. A.R. submitted that the assessee was not well versed with the income tax notices and the compliances and due to the same was not able to appear either before the Assessing Officer as well as before the CIT(A). The ld. A.R. submitted that the assessee was not in the position of submitting the detailed evidence before the authorities and prayed that the matter may be remanded back to the file of the Assessing Officer for proper verification and adjudication of the issues.

7. The ld. D.R. relied upon the assessment order and the order of the CIT(A).

8. We have heard both the parties and perused all the relevant material available on record. At this juncture, the assessee has given the details of delay before the CIT(A) and also produced the death certificate of the family members of the assessee. Before us, the assessee has also submitted

the bank statement of Surat District Co-operative Bank Ltd. and Central Bank of India along with the details of agricultural land and statement of milk collection report. All these details were not before the revenue authorities and therefore it will be appropriate to remand back this matter for proper verification and adjudication to the file of the Assessing Officer. The Assessing Officer is directed to decide the matter as per Income Tax Act. Needless to say, the assessee be given opportunity of hearing by following principles of natural justice. The assessee is also directed to fully co-operate with the proceedings before the Assessing Officer and will not take any unnecessary adjournments and allow the revenue authorities to decide the issues within the reasonable period.

9. As regards to ITA Nos. 1234 & 1235/Srt/2025, the same are in respect of penalty proceedings u/s. 271AAC(1) and 272A(1)(d) of the Act. Since the quantum appeal has been remanded back to the file of Assessing Officer, the penalty u/s. 271AAC(1) and 272A(1)(d) does not survive. Thus, ITA Nos. 1234 & 1235/Srt/2022 are allowed.

10. In result, ITA No. 1233/Srt/2022 is allowed for statistical purpose and ITA Nos. 1234 & 1235/Srt/2022 are allowed.

Order is pronounced in the open Court on 16.02.2026

Sd/-
(Dr. BRR Kumar)
Vice President
Ahmedabad : Dated 16/02/2026

Sd/-
(Suchitra Kamble)
Judicial Member

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Surat
6. Guard file.

By order,
Assistant Registrar,
Income Tax Appellate Tribunal,
Surat