

**IN THE INCOME TAX APPELLATE TRIBUNAL
JODHPUR BENCH, JODHPUR**

**BEFORE DR. MITHA LAL MEENA, HON'BLE ACCOUNTANT MEMBER
AND SHRI SUDHIR PAREEK, HON'BLE JUDICIAL MEMBER**

**ITA No. 211/Jodh/2024
(Assessment Year – 2017-18)**

Sharvan Gandhipura C/o Ashok Kumar Bansal, Vijay Shanti Plaza, Near 2nd Railway Crossing, Balotra - 344022 PAN No. DRRPS 9852 R		Income Tax Officer Balotra
Assessee by	Shri Amit Kothari, CA (Physical)	
Revenue by	Shri P.R. Mirdha, CIT-DR (Virtual)	
Date of Hearing	16.02.2026.	
Date of Pronouncement	25.02.2026.	

ORDER

DR. MITHA LAL MEENA, A.M.:

This appeal is filed by assessee against the order of National Faceless Appeal Centre, Delhi [hereinafter referred to as NFAC/ CIT(A)] dated 12.02.2024 with respect to assessment year 2017-18 sustaining the addition of Rs. 23,51,000/- u/s 69 of the Act on account of un-explained money deposited during the demonetization period without appreciation of facts.

2. We have heard both the sides and perused the material on record, we find that the assessee is an individual engaged in trading of textile clothes during the course of assessment proceedings. The AO being not satisfied with the reply of the assessee made an addition of Rs. 23,51,000/- u/s 69A of the

Act on account of un-explained money deposited during demonetization period and levied tax at high rates by applying provisions of Section 115BBE of the Act. Thereafter, in the faceless appeal scheme, the appeal of the assessee was decided ex-parte qua the assessee by endorsing the observations of the AO in confirming the aforesaid additions made by the AO.

3. The Ld. Counsel for the assessee has submitted the details regarding source of cash deposit in the bank during demonetization period as by way of debtors realization before the Assessing Officer (Para 7 of Assessment Order). However the Ld. DR argued that the claim of the assessee that he received SBN from third party during demonetization period needs to be verified firstly an identity of the debtors by way of complete address, PAN, contact number of the depositor and secondly confirmation (duly signed ledger account of the assessee in books of buyer) in order to prove that cash in SBN was deposited by the debtors in the account of the assessee.

4. The Ld. CIT(A)/NFAC while passing the ex-parte order has observed that during the course of appellate proceedings, notices were issued to the appellant to explain the cash deposit during the demonetization period but there was no reply received from the assessee. Accordingly, the CIT(A) has observed that the behaviour of the assessee shows that appellant assessee

was not interested to pursue this appeal. In absence of any reply from the appellant assessee, the matter was being decided ex-parte based on material on record. It is seen that the Ld. CIT(A) has not discussed any facts of the case even not referred to the replies filed by the assessee before the Assessing Officer. In our view, such an order passed by the Ld. CIT(A) in arbitrary and mechanical manner ex-parte qua the assessee in violation of principles of natural justice is not justified.

5. In view of the principles of natural justice, we consider it deem fit that the appellant assessee may be given one more opportunity of being heard before the Ld. CIT(A) to present his case since he has good arguable case on merits. Accordingly, the matter is remanded back to the file of the Ld. CIT(A) to adjudicate the issue of cash deposits of Rs. 23,51,000/- in the bank account of assessee made during the period of demonetization after granting sufficient opportunity of being heard and considering the written submissions filed on record before the AO as per Paper Book Pg. No. 1 to 58 and may be filed in the fresh appellate proceedings. At the same time, the assessee is also instructed to cooperate with the fresh proceedings before the Ld. CIT(A).

6. Thus, the matter is restored to the file of the Ld. CIT(A) to adjudicate the appeal in accordance with law.

7. In the result, the appeal is allowed for statistical purposes.

Order pronounced in the open court on 25/02/2026.

Sd/-

**(SUDHIR PAREEK)
JUDICIAL MEMBER**

Sd/-

**(DR. MITHA LAL MEENA)
ACCOUNTANT MEMBER**

Dated : 25/02/2026.

Nimisha Sr. PS

True Copy

Copies to :

- (1) The appellant.
- (2) The respondent.
- (3) CIT
- (4) CIT(A)
- (5) Departmental Representative
- (6) Guard File

BY ORDER,