

**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. 571/Jodh/2024  
(Assessment Year – 2017-18)**

<b>Income Tax Officer, Ward – 1 Bhilwara</b>		<b>Dhikola Gram Sewa Sahkari Samiti Ltd. Kawa Kheda Chouraha, Shastri Nagar, Bhilwara - 311001</b>
<b>Assessee by</b>	<b>Shri Sunil Porwal, CA (Virtual)</b>	
<b>Revenue by</b>	<b>Shri P.R. Mirdha, Addl. CIT-DR (Virtual)</b>	
<b>Date of Hearing</b>	<b>18.02.2026.</b>	
<b>Date of Pronouncement</b>	<b>26.02.2026.</b>	

**ORDER**

**DR. MITHA LAL MEENA, A.M.:**

This appeal is filed by Department against the order of National Faceless Appeal Centre, Delhi [hereinafter referred to as NFAC/ CIT(A)] dated 16.05.2024 with respect to assessment year 2017-18.

2. At the very outset, the Ld. DR for the department submitted that the NFAC/CIT(A) has not been justified in deleting the addition of Rs. 74,43,500/- made by the AO on account of the aforesaid cash deposited during the demonetization period as being remained un-explained before the AO because no details and/or justification of source of such cash deposit were furnished by

the assessee during the course of assessment proceedings. The Ld. DR vehemently argued that the Ld. CIT(A)/NFAC while deciding the appeal in favour of assessee has relied on the new submissions/evidences furnished by assessee during the appellate proceedings only and that such evidence/details/documents were not sent/forwarded to the Jurisdictional Assessing Officer (JAO) for a remand report in the matter, as per Rule 64A(3) of the Income Tax Rule. Likewise, the DR further submitted that on another point of addition of Rs. 1,12,810/- made by the AO on account of disallowance of deduction u/s 80P of the Act no details were provided by the assessee during the course of assessment proceedings. The DR argued that in the present case, the assessment order has been passed ex-parte qua the assessee by the AO due to non-compliance on the part of the assessee to the notice issued by the AO and that the Ld. CIT(A) has granted relief by admitting new material documents and evidences without calling for remand report as per Rule 46A(b) of the Income Tax Rules is in violation of principles of natural justice. Accordingly, he pleaded that the matter may be sent back to the AO to pass the de novo assessment considering the details/documents claimed to be filed by the assessee before the Ld. CIT(A)/NFAC with the direction to the assessee to cooperate in the fresh proceedings before the Assessing Officer.

3. Per contra, the Id. Counsel on the other hand admitted that all the documents has been filed for the first time before the Ld. CIT(A) to justify the claim of the assessee for seeking the relief, which could not be filed before the Ld. Assessing Officer. However, he argued that one letter was issued by the CIT(A) to the AO to appear before him but the AO did not avail the opportunity.

4. Having heard both the sides and perusal of material on record, we find that the Ld. CIT(A) has granted relief based on the new material evidence filed for the first time during the appellate proceedings which has not been forwarded to the Jurisdictional Assessing Officer (JAO) in order to called for a necessary remand report in the matter, as per Rule 46A(3) of the Income Tax Rules. In our view, if any material evidence or documents which are admitted by the Ld. CIT(A) for the first time for deciding an issue on merits of the case, he is required to forward the same to the Assessing Officer by way calling for a remand report and the AO's to furnish his rebuttal on the contention to controvert the evidence or documents filed by the assessee. Such an adjudication of appeal by the Ld. CIT(A) is held to be decided by hearing one side without giving opportunity to the Department. In our view, the Ld. CIT(A) has acted in violation of principles of natural justice and such order is bad in law.

5. The argument of the Ld. Counsel that the notice was issued to the AO is nowhere mentioned that the documentary evidences filed by the assessee in the appellate proceedings were forwarded to the AO or any remand report has been called for on such documents by the Ld. CIT(A) to the effect that the AO has been heard or AO's version has been taken on new documentary evidences furnished by the assessee and admitted by the Ld. CIT(A) while granting relief to the assessee based on such material evidences.

6. We, therefore, consider it appropriate to restore the matter back to the file of the AO to pass an assessment order de novo after granting an adequate opportunity of being heard to the assessee and considering all the material evidences filed before the Ld. CIT(A) during the course of appellate proceedings and may be filed in the de novo assessment proceedings by the assessee.

7. Thus, the matter is remanded back to the file of the Ld. AO to pass the de novo assessment in accordance with law.

8. In the result, the appeal is allowed for statistical purpose.

**Order pronounced in the open court on 26/02/2026.**

**Sd/-**

**(SUDHIR PAREEK)  
JUDICIAL MEMBER**

**Sd/-**

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

**Dated : 26/02/2026.**

***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,