

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC” BENCH, SURAT**

**BEFORE SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER AND  
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No. 1456/SRT/2025  
Assessment Years: 2012-13**

Binaben Jayeshbhai Gor, Plot No. 1501, III Phase, GIDC 396171, Valsad, Gujarat - 396171  <b>[PAN – ADYPG3045Q]</b> (Appellant)	Vs.	Income Tax Officer, Ward – 1, Vapi - 396195  (Respondent)
Assessee by	Ms. Vidhi Pandya, CA	
Revenue by	Shri Ashish Kumar, SR-DR	
Date of Hearing	03.03.2026	
Date of Pronouncement	10.03.2026	

**ORDER**

**PER NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER:**

This appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as ‘CIT(A)’] dated 06.10.2025 for the Assessment Year (A.Y.) 2012-13 in the proceeding u/s 144 r.w.s. 254 of the Income Tax Act.

2. This is the second round of appeal before us. The brief facts of the case are that the assessee had filed her return of income for A.Y. 2012-13 on 01.09.2012 declaring total income of Rs.15,48,780/-. The case of the assessee was reopened to examine cash deposit of Rs.17,59,000/- in the bank account. In the course of original assessment, no compliance

was made by the assessee and the assessment order was completed ex-parte making addition of Rs. 17,59,000/- on account of unexplained cash deposit. The addition was made in the original assessment had travelled up to the Tribunal and the matter was set aside to the file of the Assessing Officer with a direction to allow another opportunity of being heard to the assessee. The assessment was again completed u/s. 144 r.w.s. 254 of the Act on 21.02.2025 making addition of Rs. 17,59,000/- on account of unexplained cash deposit. The appeal filed by the assessee against this order was also dismissed by the Ld. CIT(A) vide the impugned order.

3. Now the assessee is again in appeal before us. The following grounds have been taken in this appeal:

**1. Addition of Rs. 17,59,000/- u/s. 69A of the Income Tax Act on the basis of cash deposits during the bank account:**

*On facts and in the circumstances of the case and in law, Ld. CIT(A) by confirming the order passed by the Ld. AO has grossly erred in making addition of Rs. 17,59,000/- on account of cash deposits u/s. 69A of the Income Tax Act.*

**2. Initiating penalty proceeding u/s 271(1)(c) of the Act:**

*On facts and in the circumstances of the case and in law, the Ld. AO has grossly erred in initiating the proceedings for levy of penalty u/s. 271(1)(c) of the Act when no such penalty is leviable. The proceedings initiated by the Ld. AO should be dropped as it is wrongly initiated.*

**3. Initiating penalty proceeding u/s 272A(1)(b) of the Act:**

*On facts and in the circumstances of the case and in law, the Ld. AO has grossly erred in initiating the proceedings for levy of penalty u/s. 272A(1)(b) of the Act when no such penalty is leviable. The proceedings initiated by the Ld. AO should be dropped as it is wrongly initiated.*

*The appellant craves leave to add, alter, edit, delete, modify or change all or any grounds of appeal at the time of or before the hearing of the appeal.*

4. Ms. Vidhi Pandya, CA and Ld. AR of the assessee submitted that no compliance could be made before the Ld. CIT(A) and, therefore, he had dismissed the appeal of the assessee without examining the grounds taken on merit. She explained that the assessee had made request for adjournments before the Ld. CIT(A) which was not considered and the appeal was dismissed. She further submitted that the assessee had made compliance before the AO in the set aside proceeding and furnished explanation in respect of the cash deposit. However, all the details and evidences as required by the AO could not be produced and, therefore, the AO had once again made the addition. The Ld. AR requested that the assessee may be allow another opportunity to produce the evidences before the AO and to explain the cash deposits.

5. Per Contra, Shri Ashish Kumar, the Ld. SR-DR submitted that the assessee was allowed ample opportunities to produce evidences and furnish the clarifications. He, therefore, supported the order of the lower authorities.

6. We have considered the rival submissions. In the first round there was no compliance made by the assessee and the matter was set aside by the Tribunal to the file of the AO for allowing another opportunity. Under such circumstances the assessee should have taken due care and ensured that proper compliance was made before the AO in the set aside proceeding. It is noticed from the assessment order that the assessee did furnish copy of balance-sheet, profit & loss account, list of loans and advances, sundry creditors and other details before the AO. It was explained by the assessee that the cash deposit represented advances received from customers. However, no evidence in this regard was

brought on record in spite of specific requisition by the AO. Therefore, the AO had once again repeated the addition. Before the CIT(A) also the assessee did not make any compliance apart from seeking adjournment on two occasions. Since the assessee did not make full compliance in spite of repeated opportunities provided by the lower authorities, in spite of the fact that this opportunity was provided as per the direction of the Tribunal, we deem it proper to impose a **cost of Rs. 25,000/- on the assessee which should be deposited to Prime Minister National Relief fund**, within a period of two weeks from the date of receipt of this order. Subject to the payment of cost, the Assessing Officer is directed to allow another opportunity to the assessee to produce evidence for advances received from the customers in cash which was ultimately deposited in the bank account. The assessee is also directed to make compliance before the AO in the course of set aside proceeding and produce the evidences and clarifications as required by him. The AO will be free to make enquiry in respect of fresh evidences as brought on record by the assessee. In case the assessee does not make compliance, the AO will have liberty to pass the order on merits on the basis of materials available on record.

7. In the result, the appeal of the assessee is allowed for statistical purpose.

**Order pronounced in the Court on 10/03/2026 at Ahmedabad.**

**Sd/-**  
**(TR SENTHIL KUMAR)**  
Judicial Member  
**Dated – 10<sup>th</sup> March, 2026**

*Neelesh, Sr. PS*

**Sd/-**  
**(NARENDRA PRASAD SINHA)**  
Accountant Member

*True Copy*

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2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण / DR, ITAT,
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आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad