



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

**BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
DR. DINESH MOHAN SINHA, JUDICIAL MEMBER**

आयकरअपीलसं./ITA No. 549/RJT/2025

Assessment Year: (2013-14)

Jitendrabhai Devajibhai Bodar Hare Ram Hare Krishna, Plot No. 128, 4 Astron Society, Rajkot – 360007, Gujarat	Vs.	Income Tax Officer, wd – 2(1)(1), Ayakar bhavan, Rajkot – 360001, Gujarat
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: ADKPP3888L		
(Appellant)		(Respondent)

Appellant by : Shri Digant Kiyada, Ld. AR
Respondent by : Shri Abhimanyu Singh Yadav, Ld. Sr. DR
Date of Hearing : 25/02/2026
Date of Pronouncement : 10/03/2026

आदेश / ORDER

Per, Dr. Dinesh Mohan Sinha, JM:

Captioned appeal filed by the assessee, pertaining to Assessment Year (AY) 2013-14, is directed against the order passed under section 250 of the Act, by the Learned Commissioner of Income Tax(Appeals), National Faceless Appeal Centre, Delhi, dated 16.07.2025, which in turn arises out of an assessment order passed by Assessing Officer u/s 147 r.w.s. 144 of the Income Tax Act, 1961, vide order dated 10.09.2021

2. Grounds of appeal raised by the assessee, are as follows:

“1. The grounds of appeal mentioned hereunder are without prejudice to one another.



2 The order of the learned AO in so far as he assessed the total income at Rs. 66,58,480/- as against the returned income of Rs. 4,29,650/- is totally bad on facts as also in law.

3. The learned AO grievously erred on facts as also in law in alleging that appellant earned profit of Rs. 45,44,522/- from purchase and sale of shares of penny stock company and thereby adding the same as income from undisclosed sources. The addition made is totally unjustified on facts as also in law and deserves to be deleted and may kindly be deleted.

4. The learned AO grievously erred on facts as also in law in adding gross commission income of Rs. 21,13,961/- as income from undisclosed sources. The addition made is totally unjustified on facts as also in law and deserves to be deleted and may kindly be deleted.

5. The learned AO erred in charging interest u/s. 234A & B of the Act.

6. The learned AO erred in initiating penalty proceedings u/s. 271(1)(b), 271(1)(c), 271F of the Act”

3. Brief facts of the case are that the assessee filed his return of income for the A.Y. 2013-14 on 25.01.2021 in the prescribed Form, ITR-4 declaring total income of Rs.4,29,650/-, (including income earned from Commission and Interest Income), after deduction under chapter VI of Rs.1,10,000/-. The case was selected for u/s 147 for reopening the case for reassessment. The proceedings u/s 147 of the I.T. Act, 1961 were initiated for the A.Y. 2013-14 and accordingly after recording reasons, a notice u/s 148 of the Act was issued on 28.04.2020, which was duly served upon the assessee through ITBA Portal/e-mail, in response to the notice, the assessee was required to furnish his ITR in the prescribed form, for the assessment year within 30 days of receipt of the same. But the assessee has not filed ROI within statutory time limit in response to notice issued u/s 148. Thereafter, a notice u/s 142(1) of the I.T. Act, 1961 was issued on 19.09.2020, no any return/reply submission filed nor any application for seeking adjournment was submitted. The case was later-on assigned/transferred from the JAO to this AU under the "faceless e-Assessment Scheme-2019 on 25.01.2021".



4. Accordingly, a statutory notice under section 142(1) of the Income Tax Act, 1961 on 08.02.2021, calling for the details and information on the issue on which the case was re-opened. But the assessee has again failed to e-furnish any information/ reply / details and supporting documents. The main issue involved in this case, which formed basis for initiation of proceedings u/s 147 of the Act was that as per information available with the department, during the year under consideration, the assessee is one of the beneficiaries who has carried out bogus transactions of purchased 3,01,069 shares at Rs. 2,13,75,329/- and sold 3,57,5634 shares at Rs.2,64,71,610/- and there by earned profit to the tune of Rs.45,44,522/- (sales -Rs. 2,64,71,610/- less; (purchase of this year -Rs. 2,13,75,329/- & last year balance quantity & value -18551 shares & Rs. 5,51,459/-) which is unaccounted and unexplained. As per above details, it is found that the assessee has not shown the said transaction in the return of income the genuineness of transactions in shares is not proved and therefore the same is required to be brought under the tax. During the course of assessment proceedings, the AO observed that the assessee has failed to submit any response to the notices issued to the assessee time to time, then the undersigned has left on option to refer the case for ascertaining the service of notice. Finally, the notice was property served upon the assessee on 29.04.2021 through VU. The assessee was given a final opportunity on the above issue vide notice u/s 142(1) dated 06.08.2021 to produce the details along with its supporting documents and evidences regarding share transactions of purchased 3,01,069 shares at Rs. 2,13,75,329/- and sold 3,57,534 shares at Rs. 2,64,71,610/- and thereby earned profit to the tune of Rs. 45,44,522/-. With penny stock company be not treated as unexplained investment and entire amount be not treated as your income from undisclosed sources for the year under consideration. The AO computed total income of the assessee, are as under:

1. ITR filed against notice u/s 148 dt. 20.03.2020

Not filed



2 Addition u/s representing unexplained sources/ income from undisclosed sources, as discussed above	Rs.21,13,961/-
3 Addition u/s representing unexplained sources/ income from undisclosed sources, as discussed above	Rs.45,44,522/-
4 Total taxable income	Rs.66,58,483/-
R/o	Rs.66,58,480/-

5. That the assessee filed an appeal against the order of the AO, before the Ld.CIT(A). That the Ld.CIT(A) has dismissed the appeal of the assessee, observing as follows:

“2.13 In view of the facts as discussed hereinabove and the judicial decisions on the matter of delay in filing appeals, this appeal is not admitted for adjudication as it is delayed and not filed within the time limit provided and no sufficient cause has been provided by the appellant for the delay. In the absence of sufficient cause for the delay, the same cannot be condoned.

3. In the result, the appeal is dismissed as not admitted”

6. That the assessee filed an appeal against the impugned order of the Ld.CIT(A), before this Tribunal.

(i) During the course of hearing, the Ld. AR for the assessee prayed that one more opportunity may kindly be given to the assessee to explain the case before the lower authorities.

(ii) On the other hand, the Ld. DR for the revenue submitted that the assessee was negligent in pursuing the case, a cost must be imposed on the assessee, the Ld. DR relied on the finding of the assessing officer.

7. We have heard Ld. DR and perused the material available on record. Upon perusal of the record it is noted that no due care and attention was given to the notice issued by the lower authorities and remain negligent in pursuing the case before the Ld.CIT(A) as well as before AO, for this non-cooperative attitude in



pursuing the case. We direct the assessee to deposit a cost of Rs.5000/-, and the same is to be deposited with Prime Minister Relief fund (Government of India), within 10 days from today, and the receipt is to be submitted with the Registrar of this Tribunal. Keeping in view, and in the interest of justice, we grant an opportunity to the assessee to present the case before the AO. We set aside the order of lower authority and remit the matter back to the file of the AO for fresh adjudication on merit after giving due opportunity to the assessee of being heard., in accordance with law.

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

Order is pronounced in the open court on 10/03/2026.

Sd/-
(Dr. Arjun Lal Saini)
Accountant Member

Rajkot

दिनांक/ Date: 10/03/2026

Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

//True Copy//

Sd/-
(Dr. Dinesh Mohan Sinha)
Judicial Member

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot