

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "D", MUMBAI
MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
SHRI PRABHASH SHANKAR, ACCOUNTANT MEMBER**

**ITA. No.8450/MUM/2025
Assessment Year: 2017-18**

Rajendra Nanaso Godase, A-203, Sundarabai CHS Ltd., Retibandar Road, Opp H. Ward, Bharat Bhoir Nagar, Dombivali West, Kalyan-Dombivali, Maharashtra – 421202.	Vs.	Income-tax Officer 3(2), 2nd Floor, Rani Mansion, Kalyan-Murbad Road, above Canara Bank, Syndicate, Kalyan, Kalyan – Dombivali, Maharashtra - 421301.
(Appellant)	:	(Respondent)

PAN No. AJGPG 1649 A

Present for:

Assessee by : Shri Viraj Mehta, Ld. AR (Virtually present).
Revenue by : Shri Annavaram Kosuri, SR DR

Date of Hearing : 09.03.2026
Date of Pronouncement : 09.03.2026

ORDER

Per : Narender Kumar Choudhry, Judicial Member:

This appeal has been preferred by the Assessee against the order dated 18.11.2025, impugned herein, passed by National Faceless Appeal Centre (NFAC), Delhi/Ld. Commissioner of Income Tax (Appeals) [in short Ld. Commissioner] u/s 250 of the Income Tax Act, 1961, [in short 'the Act'] for the A.Y. 2017-18.

2. In the instant case, the Assessing Officer vide Assessment Order dated 11.04.2023, u/s 147 r.w.s 144 and 144(b) of the Act, has made the addition of Rs.17,80,000/- as unexplained money u/s 69A of the Act, being cash deposit.

3. Subsequently, the Assessing Officer, vide penalty order dated 13.10.2023 u/s 271AAC(1) of the Act, ultimately levied the penalty to the tune of Rs.1,37,505/- being 10% of total tax determined u/s 115BBE(1) including SC and SHEC, to the tune of Rs.13,75,050/-.

4. The Assessee thus being aggrieved challenged the said penalty levied, by filing First Appeal before the Ld. Commissioner, who issued a show cause notice dated 29.09.2025 to the Assessee. In response to which, the Assessee, vide letter dated 09.10.2025 sought for time to gather evidence. However, as per impugned order, the Assessee failed to file any submission or response to the hearing notice, till the date of passing of the impugned order on 18.11.2025 and therefore, the Ld. Commissioner in the constrained circumstances, affirmed the aforesaid penalty by dismissing the Appeal of the Assessee.

5. We observe from the impugned order that though the Ld. Commissioner has specified the date of show cause notice i.e. 29.09.2025 in the impugned order against which the Assessee had sought for time

vide letter dated 09.10.2025, however, in the impugned order, it is nowhere appears, as to what has happened thereafter. The Assessee's Counsel thus has submitted that Assessee thereafter never received any notice for further hearing and/or opportunity of being heard.

6. Thus, considering the peculiar facts and circumstances in totality for just and proper decision of the case and substantial justice, we deem it appropriate to afford one last and final opportunity to the Assessee to substantiate its claim. Accordingly, the case is remanded to the file of the Ld. Commissioner for decision afresh, suffice to say by affording an reasonable opportunity of being heard to the Assessee.

7. We clarify that in case of subsequent default, the Assessee shall not be entitled for any leniency.

8. In the result, the Assessee's Appeal is allowed for statistical purposes.

Order pronounced in the open court on 09.03.2026.

Sd/-
(PRABHASH SHANKAR)
Accountant Member

Sd/-
(Narender Kumar Choudhry)
Judicial Member

M. Ranganath Vithal
Sr. Private Secretary.

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. DR, ITAT, Mumbai
4. Guard File
5. CIT

BY ORDER,

(Dy./Asstt.Registrar)
ITAT, Mumbai