

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "एसएमसी", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH "SMC", CHANDIGARH

HEARING THROUGH: VIRTUAL MODE

श्री ललित कुमार, न्यायिक सदस्य
BEFORE: SHRI. LALIET KUMAR, JM

आयकर अपील सं. / ITA No. 809/Chd/2025
निर्धारण वर्ष / Assessment Year : 2018-19

Labh Singh Village : Jandwal Jattan, Tehsil Mandi Dabwali, Sirsa, Haryana - 125104	बनाम	ITO Ward -1 Aayakar Bhawan, Sector – 20, Huda, Sirsa, Haryana - 125201
स्थायी लेखा सं. / PAN NO: HJVPS1102J		
अपीलार्थी/ Appellant		प्रत्यर्थी/ Respondent

निर्धारित की ओर से/ Assessee by : Shri Mohit Bassi, Adv.
राजस्व की ओर से/ Revenue by : Shri Vivek Vardhan, Addl. CIT, Sr. DR

सुनवाई की तारीख/ Date of Hearing : 18/03/2026
उद्घोषणा की तारीख/ Date of Pronouncement : 19/03/2026

आदेश/Order

PER LALIET KUMAR, J.M:

This appeal filed by the assessee is directed against the order dated 08.04.2025 passed by the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, for the assessment year 2018–19.

2. Briefly stated, the facts of the case are that the assessment in the present case was framed by the Assessing Officer under section 147 read with section 144 of the Income Tax Act, 1961. The Assessing Officer received information that the assessee had deposited cash in his bank account during the relevant previous year and accordingly proceedings under section 147 were initiated. Statutory notices under sections 148 and 142(1) were issued; however, the assessee neither filed a return of income nor furnished any details in response thereto. In the absence of any compliance, the Assessing Officer proceeded to complete the assessment ex parte under section 144 and treated the cash deposits amounting to ₹24,84,000/- as unexplained money under section 69A of the Act.

3. Aggrieved by the assessment order, the assessee carried the matter in appeal before the Ld. CIT(A). It is observed from the appellate order that several notices were issued during the course of appellate proceedings; however, the assessee did not appear nor filed any documentary evidence in support of his case. The Ld. CIT(A), therefore, proceeded to decide the appeal on the basis of material available on record and upheld the action of the Assessing Officer, holding that the assessee had failed to discharge the onus cast upon him to explain the source of cash deposits.

4. Before us, the Ld. Authorized Representative submitted that both the assessment as well as appellate proceedings were completed ex-parte and the assessee could not properly represent his case due to circumstances beyond his control. It was contended that the assessee is an agriculturist and the cash deposits were from explained sources, however, due to non-compliance, the relevant evidences could not be placed before the lower authorities. It was thus pleaded that the matter may be restored to the file of the Assessing Officer for fresh adjudication after providing one more opportunity to the assessee.

5. Per contra, the Ld. Departmental Representative relied upon the orders of the lower authorities and submitted that sufficient opportunities were provided at both stages but the assessee failed to avail the same. It was thus contended that no interference is called for in the findings of the Ld. CIT(A).

6. We have heard the rival submissions and perused the material available on record. It is an undisputed fact that the assessment in the present case has been framed ex-parte under section 144 of the Act and the addition has been made on account of cash deposits in the bank account of the assessee. It is further evident that even during the appellate proceedings, the assessee failed to appear and no supporting evidences were furnished before the Ld. CIT(A), who consequently upheld the addition made by the Assessing Officer. Thus, the addition in the present case has been sustained primarily on account of non-compliance and absence of evidences on record.

7. At the same time, it is a settled principle of law that the rules of natural justice require that a reasonable opportunity of being heard must be provided to the

assessee to substantiate his claim. Considering the facts of the present case, particularly that the assessment was completed ex-parte and the addition is substantial in nature, we are of the considered view that the assessee deserves one more opportunity to present his case on merits before the Assessing Officer.

8. However, we also cannot ignore the conduct of the assessee in not responding to multiple notices issued during assessment as well as appellate proceedings. Therefore, in order to balance the interest of justice with the need for ensuring compliance, we deem it appropriate to restore the matter to the file of the Assessing Officer subject to imposition of cost.

9. Accordingly, the impugned order passed by the Ld. CIT(A) is set aside and the matter is restored to the file of the Assessing Officer for fresh adjudication. The Assessing Officer shall provide adequate and reasonable opportunity of being heard to the assessee and decide the issue in accordance with law. The assessee is also directed to cooperate in the proceedings and furnish all necessary evidences to substantiate his claim regarding the source of cash deposits.

10. The assessee is further directed to deposit a sum of ₹10,000/- (Rupees Ten Thousand only) in the PGI Poor Patients Welfare Fund, Chandigarh, within a period of one month from the date of this order and furnish proof of the same before the Assessing Officer. In case of failure to comply with this direction, the Assessing Officer shall be at liberty to proceed in accordance with law and draw appropriate adverse inference.

11. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 19/03/2026.

-Sd-

**ललित कुमार
(LALIET KUMAR)**

न्यायिक सदस्य /JUDICIAL MEMBER

AS

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT,
CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar