

**IN THE INCOME TAX APPELLATE TRIBUNAL
LUCKNOW 'A' BENCH, LUCKNOW**
**BEFORE SH. KUL BHARAT, VICE PRESIDENT
AND
SH. NIKHIL CHOUDHARY, ACCOUNTANT MEMBER**

ITA No.563/LKW/2024
A.Y. 2015-16

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| Suman Verma, 424, Samesi Anshik Mohanlalganj, Lucknow, U.P. | vs. | ITO-2(1), Lucknow-New |
| PAN: ANFPV3733M | | |
| (Appellant) | | (Respondent) |

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|------------------------|--------------------|
| Assessee by: | None |
| Revenue by: | Sh. Amit Kumar, DR |
| Date of hearing: | 17.03.2026 |
| Date of pronouncement: | 6.04.2026 |

ORDER

PER NIKHIL CHOUDHARY, A.M.

This is an appeal filed by the assessee against the orders of the Id. CIT(A), NFAC dismissing the appeal of the assessee that she had filed against the orders of the Assessing Officer under section 147 r.w.s. 144(4) for the assessment year 2015-16. The grounds of appeal are as under:-

"1. Because on the facts and the circumstances of the case, the Commissioner of Income Tax (Appeals) has erred in the fact and law that the entries mentioned in the order under section 148A(d) of the Act, of Rs. 95,41,537/- two times are the repeat entries as the bank statement was available with A.O. during the assessment proceedings.

2. Because on the facts and in the circumstances of the case the Ld. Commissioner of Income Tax (Appeals) has ignored the fact that from the proceedings initiated under section 148A(d) of the Income Tax Act, till the disposal of the first appeal, the appellant due to unawareness of her legal obligations could file any of her explanations/ submissions at any stage of the scrutiny or appellate proceedings and did not get proper opportunity of being heard.

3. Because on the facts and in the circumstances of the case the Ld. Commissioner of Income Tax (Appeals) has also totally ignored the fact that there was no cash deposit during the year in question and only interest on Term Deposits was earned during the year in question, which is also reflecting in form 26AS.

4. *The humble appellant craves for leave to add/amend any other grounds of appeal with the prior permission of the Hon'ble Tribunal."*

2. The facts of the case are that the assessee had not filed her return of income for the A.Y. 2015-16. The ld. AO observed that Rs. 1,90,83,074/- had been credited to her bank account and she had received interest income of Rs. 4,48,372/- during the F.Y. 2014-15. He, therefore, concluded that income had escaped assessment to this extent. Accordingly, after obtaining the necessary approvals, notice under section 148 was issued. The ld. AO records that notice under section 142(1) alongwith the questionnaire was served upon the assessee by speed post but the assessee neither made compliance to the earlier notice under section 148 or the subsequent notices under section 142(1). Therefore, he proceeded to complete the assessment *ex parte*. He issued a notice to the Branch Manager of the Bank of Baroda under section 133(6) calling for the statement of the bank account and from the same confirmed the transactions reported in the Insight Portal. Since the assessee had not furnished any reply therefore, the ld. AO computed a best judgment assessment under section 144 of the Income Tax Act and held the entire amount of Rs. 1,95,31,446/- as unexplained money under section 69A of the Income Tax Act and brought them to tax under section 115BBE of the Income Tax Act.

3. Aggrieved with the said order, the assessee filed an appeal before the NFAC. The ld. CIT(A) noted that a number of communications were issued to the assessee on 19.02.2024, 11.03.2024, 21.03.2024 and 11.07.2024 to make submissions in support of the grounds of appeal. However, the assessee did not respond to any of these notices and consequently, the ld. CIT(A) recorded that he had no option but to proceed with the appeal *ex parte* on the basis of the documents already available. He also held that various Courts including the Hon'ble Supreme Court in the case of CIT vs. B.N. Bhattacharjee and Ors 10 CTR 344 (SC) had held that where an appeal was not effectively pursued it is as good as not having filed the appeal at all. It was further pointed out that the onus to

disprove the allegations of the Assessing Officer primarily lay upon the assessee and since the assessee had not adduced any evidence to dispute what the AO had held, it could only be concluded that the assessee had no evidence to offer. Accordingly, the Id. CIT(A) found no infirmity in the action of the AO and he confirmed the addition of Rs. 1,95,31,446/- in the hands of the assessee.

4. Aggrieved with the dismissal of her appeal, the assessee has come before us. In the grounds of appeal, it has been submitted that since the assessee was ignorant with regard to her legal obligations, she was unable to file her explanations / submissions at any stage and did not get any opportunity of hearing. It was further submitted that there was no cash deposit during the year in question and only interest income was earned. On the appointed date of hearing, nobody was present on behalf of the assessee. Considering that the case had already been fixed on eight previous occasions where the assessee had not made any appearance, it was that decided that it would be fruitless to give further opportunities to the assessee to represent her case and therefore, the matter should be decided *ex parte*. Sh. Amit Kumar, Sr. DR, assisted the Bench during the proceedings. He pointed out that the AO had received information of huge credits in the bank account of the assessee from the Insight Portal. He had also cross checked the same from the bank account of the assessee which he had obtained from the Branch Manager and he had given the assessee due opportunity to explain why the amount should not be added back to her income. However, no compliance had been made. Thereafter, the assessee had filed appeals before the Id. CIT(A) against the addition but thereto she had not made any compliance and finally having filed appeal against the order of the Id. CIT(A), she had chosen not to comply before the Tribunal. It was, therefore, apparent that the assessee had nothing to say in this regard and therefore, he prayed that the additions may be confirmed. However, he also submitted that if the Tribunal in its wisdom decided to restore the matter back to the file of the Assessing Officer, then it should give clear cut instructions to the assessee to make compliance failing which it would be

presumed that she had no explanation to offer and accepted the facts as brought on record by the AO.

5. We have duly considered the facts and circumstances of the case. It appears that the additions have been made by the AO only because the assessee has not made compliance at any stage of the proceedings. Since, the assessee has filed this appeal and held that there was no cash deposit during the year and there were repeat entries in the bank statement which had been ignored by the AO at the time of assessment, in the interest of justice, we deem it fit to restore the matter back to the file of the AO for a *de novo* assessment. We also direct the assessee to ensure compliance before the AO and caution her that her failure to comply with the notices issued by the AO calling upon her to explain the said credit entries could be held against her as having no explanation to make in this regard. Accordingly, with these comments, the matter is restored to the file of the AO.

6. In the result, the appeal of the assessee is allowed for statistical purposes.
Order pronounced on 6.04.2026 in the open Court.

Sd/-

[KUL BHARAT]
VICE PRESIDENT

DATED: 6/04/2026

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Copy forwarded to:

1. Appellant –
2. Respondent –
3. CITDR, ITAT,
4. CIT,
5. The CIT(A)

Sd/-

[NIKHIL CHOUDHARY]
ACCOUNTANT MEMBER

By order
Sr. P.S.