

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, AHMEDABAD**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
Ms. SUCHITRA KAMBLE, JUDICIAL MEMBER**

I.T.A. No. 811/Ahd/2025
(Assessment Year: 2017-18)

Maulik Ashokkumar Shah, Padmshree Electric & Electronics, Pajarapol Road Godhra, Godhra-389001 [PAN : BOMPS 2787 D]	Vs.	Income Tax Officer, Ward (1), Godhara
(Appellant)	..	(Respondent)
Appellant by :	Shri Mohit Balani, AR	
Respondent by:	Shri Kamal Deep Singh, Sr DR	
Date of Hearing	08.07.2025	
Date of Pronouncement	15.07.2025	

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

The captioned appeal has been filed by the assessee against the order dated 15.03.2025 passed by the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi (hereinafter referred to as "CIT(A)" for short), passed u/s 250 of the Income-tax Act, 1961, (hereinafter referred to as "the Act" for short) for the Assessment Year (AY) 2017-18.

2. The assessee has raised the following grounds of appeals:

"1. Learned CIT(A) has erred in law and on facts of the case in passing the impugned order ex-parte.

2. Learned CIT(A) has erred in law and on facts of the case in not adjudicating anything on the validity of reopening and thus confirming the action of AO in assuming the jurisdiction u/s 147 of the Act.

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3. The Learned CIT(A) erred in law by failing to consider that the Ld. AO passed the order without duly considering the relevant facts and in violation of the principles of natural justice. Consequently, the impugned order is liable to be quashed.

4. The Learned CIT(A) erred in law and on facts of the case in not appreciating that AO did not adhere to the prescribed procedure for faceless assessment as mandated under Section 144B of the Act.

5. The Ld. CIT(Appeal) ought to consider the Facts, records available on the face of record before passing the order but the Ld. CIT(Appeal) Fails to consider the same and passed the order.

7. The Ld. CIT(Appeal) ought to consider the Circular Instruction No. 03/2017 dated 21-02-2017 but fails to consider it and passed the order.

8. The learned CIT(Appeal) has erred in law by addition of Rs. 26,50,000/- as an unexplained credit u/s 68 of the Act and assessed the income 115BBE of the act-Tax Effect 26,50,000/-.

9. The Ld. CIT (Appeal) has erred in law by passing the order for levied of interest u/s 234A, 234B, 234C ,234D of the Act.

10. The Ld. CIT(Appeal) has erred in law by Intimating to impose the penalty u/s 271AAC of the Income tax Act."

3. In the present case, the assessee is stated to be engaged in operating a retail business dealing in various types of mobile phones and accessories. The assessee filed its return of income for the year under consideration on 03.11.2017, declaring a total income of Rs.3,77,650/-. During the course of assessment proceedings, the Assessing Officer observed that the assessee had deposited a sum of Rs.26,50,000/- in cash into his bank account maintained with The Godhra City Co-operative Bank Ltd. during the period of demonetization, i.e. from 09.11.2016 to 31.12.2016. Since the assessee failed to satisfactorily explain the source of the said cash deposit with supporting evidence, the Assessing Officer treated the same as unexplained and added it

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to the assessee's income under relevant provisions of the Act. This addition was subsequently upheld by the Ld. CIT(A) by way of an ex-parte order dated 15.03.2025.

4. Upon perusal of the record, we find that several notices u/s 250 of the Act were issued to the assessee on 11.07.2024, 02.01.2025, 21.02.2025, and 08.03.2025, directing the assessee to submit necessary documents, submissions, and clarifications in respect of the cash deposits made during the demonetization period. However, the assessee failed to respond to any of these notices, which led to the dismissal of the appeal by the Ld. CIT(A) through an *ex-parte* order.

5. Subsequently, the assessee filed an affidavit dated 08.07.2025 before the Tribunal stating that due to negligence on the part of the erstwhile consultant, no steps were taken to file submissions or represent the assessee's case before the appellate authority. It was further submitted that by the time a new consultant was appointed and had the opportunity to examine the records, the notice dated 08.03.2025 had already lapsed, resulting in the *ex-parte* adjudication of the appeal. The assessee contended that the default in appearance was inadvertent and solely attributable to the inaction of the earlier consultant. A prayer was made before the Tribunal to afford another opportunity, assuring full cooperation and submission of all necessary explanations and documents before the revenue authorities.

6. We also observe from the record that the assessee did not provide a satisfactory explanation before the Assessing Officer either. However, considering the principles of natural justice and in the interest of fair play, we are of the view that the assessee deserves one final opportunity to present its

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case. Accordingly, the matter is restored to the file of the Assessing Officer for *de novo* assessment. The assessee shall comply with the notices issued by the authorities from time to time without seeking unnecessary adjournments.

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

The order is pronounced in the open Court on 15.07.2025

Sd/-

**(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

Sd/-

**(DR. B.R.R. KUMAR)
VICE-PRESIDENT**

Ahmedabad; Dated 15.07.2025

btk

आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त(अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

True Copy

आदेशानुसार/ BY ORDER,

सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad