

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ "डी", अहमदाबाद ।
IN THE INCOME TAX APPELLATE TRIBUNAL
"D" BENCH, AHMEDABAD

श्री संजय गर्ग, न्यायिक सदस्य एवं
अन्नपूर्णा गुप्ता, लेखा सदस्य के समक्ष।

Before Shri Sanjay Garg, Judicial Member And
Annapurna Gupta, Accountant Member

आयकर अपील सं./ITA No.1876/Ahd/2025
निर्धारण वर्ष /Assessment Year : 2019-20

The Dantol Dudh Utpadak Sahakari Mandli Ltd. At - Dantol, Post - Bhilod Tal - Ghoghamba Panchmahal - 389 341 (Gujarat)	बनाम/ v/s.	The ITO Ward-1 Income Tax Office Civil Lines Godhra - 389 341
स्थायी लेखा सं./PAN: AABAT 9540 Q		
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)
Assessee by :	Shri M.K. Patel, Advocate	
Revenue by :	Shri Rameshwar P. Meena, Sr.DR	

सुनवाई की तारीख/Date of Hearing : 23/02/2026
घोषणा की तारीख /Date of Pronouncement: 01/04/2026

आदेश/ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'CIT(A)'] dated 13/05/2025 passed u/s.250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for the Assessment Year (AY) 2019-20.

2. The appeal is time-barred by 62 days. A separate application for condonation of delay has been filed. Considering the averments made in the application, the delay in filing the appeal is hereby condoned.

3. The assessee, in this appeal, has taken the following grounds of appeal:

“1.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in passing the appellate order ex-parte, without ensuring that a real and meaningful opportunity of hearing was afforded to the appellant, especially considering the peculiar circumstances and genuine limitations faced by the appellant in effectively participating in the proceedings.

2.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in confirming the addition of ₹50,91,573/- on account of alleged inflation of sales treated as unexplained credit, without adjudicating the appeal on merits and without considering the appellant's inability to respond to the hearing notices due to genuine constraints.

3.0 The learned Commissioner of Income Tax (Appeals), NFAC erred in law and on facts has confirmed the addition of ₹16,78,871/- on account of investments and debtors shown in the Balance Sheet treating the same as unexplained cash credit without adjudicating the appeal on merits and without considering the appellant's inability to respond to the hearing notices due to genuine constraints.

4.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in confirming the additions made by the Assessing Officer ex-parte in violation of the mandate under section 250(6) of the Act, which requires the Commissioner (Appeals) to dispose of the appeal through a reasoned order on each ground of appeal, irrespective of the appellant's absence or non-compliance.

5.0 The learned Commissioner of Income Tax (Appeals), NFAC failed to appreciate that non-appearance of the appellant does not empower the Commissioner (Appeals) to dismiss or decide appeal on merits without real hearing.

6.0 The learned Commissioner of Income Tax (Appeals), NFAC has erred in law and on facts in confirming the initiation of penalty proceedings under section 270A as well section 271AAC of the Income Tax Act, 1961 for the alleged under reporting and/or mis-reporting of income.

7.0 The learned Commissioner of Income Tax (Appeals), NFAC erred in law and on facts has confirmed the charging interest under section 234A, 234B and 234F of the Income Tax Act, 1961.

8.0 *The appellant craves leave to add to, alter, delete or modify any of the above grounds of appeal either before or at the time of hearing of this appeal."*

3. At the outset, the Ld. Counsel for the assessee stated at bar that only Ground Nos.1 to 3 are relevant and the other grounds are general in nature and no specific adjudication is required on the Ground Nos.4 to 8. Therefore, Ground Nos.4 to 8 are dismissed as not pressed.

4. The Ld. Counsel for the assessee vide Ground No.1 has contested that the order of the Ld. CIT(A) is an *ex-parte* order. However, the Ld. Counsel has submitted that he is ready to argue the appeal on merits before this Tribunal. Therefore, ground No.1 is also dismissed as not pressed.

4.1. At this stage, the Ld. Counsel for the assessee has raised a legal ground relating to the validity of the reopening of the assessment u/s.147 of the Act. The Ld. Counsel has submitted that the assessment, in this case, was reopened on account of certain cash transactions, i.e. certain cash deposits and cash withdrawals in the bank account of the assessee, noting that the assessee has not filed any return of income for the year under consideration and whereas, the additions have been made on account of inflated purchases and inflated sales and unexplained investment & unexplained debtors.

5. After going through the assessment order, we find that the Assessing Officer (AO) had made the basis for the impugned additions, the very transactions carried out in the bank account of the assessee. Therefore, the issue on the basis of which the assessment was reopened is very much embedded in the issue of additions made by the AO. Therefore, it cannot be said that the assessment was opened on a different issue and the addition has

made on a different issue. Therefore, there is no merit in the aforesaid legal ground raised by the Ld. Counsel for the assessee and the same is accordingly dismissed.

6. Now coming to the Ground Nos.2 & 3 taken by the assessee, whereby, the assessee has contested the addition of Rs.50,91,573/- made by the AO on account of inflated sales and further the addition of Rs.16,78,871/- made on account of unexplained investments and debtors. We note that the impugned assessment order relating to the aforesaid two issues is not a speaking order. The AO, on the one hand, has observed that there were inflated purchases and, on the other hand, has observed that there were inflated sales. We failed to understand why the assessee will make inflated purchases as well as inflated sales as the net effect, in that event, will be revenue neutral.

6.1. On the other hand, the Ld. Counsel for the assessee has submitted that the AO has taken a view of inflated purchases and inflated sales only from the bank statement of the assessee without examining the detailed evidences furnishing by the assessee. He has submitted that neither every deposit nor every withdrawal can be taken as purchase and sales of the assessee and, moreover, there was some amount outstanding against the third parties which has not been considered by the AO while making the impugned additions. Similarly, in respect of unexplained investment and debtors, the AO has simply noted that the assessee had not furnished relevant evidences to explain the same, however, as per the AR, all the material was on record which perhaps has escaped the attention of the AO.

7. In view of this, both the issues are restored to the file of the AO for adjudication afresh after giving proper and adequate opportunity to the assessee to present its case.

8. With the above observations, the appeal of the assessee is treated as allowed for statistical purposes.

Order pronounced in the Open Court on 01/04/2026.

**Sd/-
(Annapurna Gupta)
Accountant Member**

**Sd/-
(Sanjay Garg)
Judicial Member**

अहमदाबाद/Ahmedabad, दिनांक/Dated 01/04/2026

टी. सी. नायर, व. नि. स. / T.C. NAIR, Sr. PS

आदेश की प्रतिलिपि अग्रेषित/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.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

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