

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"SMC" BENCH, AHMEDABAD  
BEFORE MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

ITA No.2418/Ahd/2025  
(Assessment Year: 2017-18)

Yogesh Kiranbhai Machhi, 85, Shivam Park Society, Opp. Sardar Estate, Ajwa Road, Vadodara-390019 Gujarat.  [PAN : AMNPM3329 F]	Vs.	The Income Tax Officer, Ward-3(1)(1), Vadodara.
<b>(Appellant)</b>	..	<b>(Respondent)</b>

<b>Appellant by :</b>	Shri Sarju Mehta, A.R.
<b>Respondent by:</b>	Shri Girish Parihar, Sr. DR
<b>Date of Hearing</b>	02.04.2026
<b>Date of Pronouncement</b>	10.04.2026

**ORDER**

**PER SUCHITRA KAMBLE, JUDICIAL MEMBER:-**

This appeal is filed by the Assessee against the appellate order dated 04.10.2023 passed by the Commissioner of Income Tax (Appeals) National Faceless Appeal Centre, Delhi, relating to the Assessment Year 2017-18.

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

*1. That the appellant is deprived of the effective opportunity of making any submission to CIT(A) due to reasons beyond Appellant's Control thereby losing the opportunity to submit arguments in detail on merit of the case to CIT(A) and thereby appeal getting disposed by CIT(A) with mention that " uphold the addition made by the Assessing Officer, in the absence of any*

*documentary evidences to rebut the findings made in order dated 04/12/2019, Accordingly, the issue is decided against the appellant and the grounds of appeal in this regard are dismissed.*

2. *That the action of the id AO making the addition and CIT Appeals upholding the action of id AO and not justified in law and on facts for addition of Rs.21,07,155/- merely the amount of VAT Tax, as the total Sales as per VAT returns amounting to Rs.6.90.18.421/- is including VAT Tax which was compared by Id AO with the Sales as profit and loss account amounting to Rs.6.69,11,266/- which is excluding VAT Tax. Said difference amounting to Rs 21.07.155/- is VAT Tax which is evident in the VAT returns of the Appellant which is a document available on record of assessment proceeding.*

3. *That the action of Id AO making the addition and CIT Appeals upholding the action of Id AO are not justified in law and on facts for addition of Rs 20,86,163/- (the difference between total corresponding purchases of Rs 6,43,90,010/- as shown in Appellant's ledger account from the books of M/s Gopal snacks Pvt. Ltd and total purchases of Rs.6.23.03.847/ as appeared in Profit & loss Account of the Appellant) to the total income of the appellant as an unaccounted Purchases as they failed to recognize that the said difference of Rs. 20,86,163/- is merely the amount of Debit Note issued & VAT credit taken by the appellant during the year. Further, Purchases amounting to Rs.6,23,03,847/- as appeared in Appellant's Profit & loss Account for the year is Net Purchase le after deducting the debit note amounting to Rs.1,21,378/- issued by appellant and VAT Credit amounting to Rs 19,65,842/- taken by the Appellant during the relevant financial year. Said difference amounting to Rs.20.86.163/- is VAT Credit taken and Debit note issued are evident in the VAT returns of the Appellant which is a document available on record of assessment proceeding.*

4. *Your Appellant reserves the right to add, alter, amend and withdraw any of the above grounds of appeal.*

3. The assessee is an individual and the Proprietor of Deep Sales Agency, engaged in the business of distribution of packed snacks of M/s. Gopal Snacks Pvt. Ltd. The assessee e-filed his return of income on 29.09.2017 vide acknowledgement no. 227193301290917 for A.Y. 2017-18, declaring total income of Rs.4,88,460/-. Subsequently, the case of the assessee was selected for **Limited Scrutiny** on account of

**cash deposits during the year**, and notices under **section 143(2)** of the Income Tax Act, 1961 were issued from time to time. During the course of assessment proceedings, the Assessing Officer issued a notice under section 133(6) to M/s. Gopal Snacks Pvt. Ltd. calling for the ledger account of the assessee, which was duly furnished for the relevant assessment year. Upon verification, the Assessing Officer observed a difference between the sales reported by M/s. Gopal Snacks Pvt. Ltd. and the purchases recorded by the assessee, and treated the same as unexplained, thereby adding it to the assessable income of the assessee. It was submitted that the difference between the purchases as per the Profit and Loss Account and the ledger account of M/s. Gopal Snacks Pvt. Ltd. arose merely on account of VAT and debit notes, which were duly reflected in the VAT returns already filed by the assessee. It was further explained that the Assessing Officer compared the sales as per VAT return (including VAT) with the sales recorded in the Profit and Loss Account (excluding VAT). Therefore, the difference treated as unaccounted sales was merely attributable to the VAT component.

4. Aggrieved by the assessment order, the assessee filed an appeal before the Ld. CIT(A), who dismissed the appeal **in limine**.

5. I observe that there is a **delay of 705 days** in filing the present appeal before the Tribunal. In the application for condonation of delay, the assessee submitted that the e-mail ID used by the Ld. CIT(A) for serving notices under section 250 as well as for serving the appellate order belonged to the erstwhile tax consultant, and not to the updated e-mail ID of the assessee. It was further stated that the assessee's former tax consultant did not inform the assessee about the notices or

the order passed by the Ld. CIT(A). Considering these circumstances, the Ld. Counsel prayed for condonation of delay. The explanation furnished by the assessee appears to be **reasonable and bona fide**, and accordingly, the **delay is condoned**.

6. The Ld. Departmental Representative (DR) relied upon the assessment order and the order of the Ld. CIT(A).

7. On perusal of the records, it is observed that the assessee was afforded several opportunities of hearing to furnish details, clarifications, and explanations in support of the case. However, despite being granted multiple opportunities, the assessee remained non-compliant and failed to furnish the requisite details or explanations before the Ld. CIT(A). Consequently, the Ld. CIT(A), based on the material available on record, upheld the action of the Assessing Officer and dismissed the appeal of the assessee. The assessee submitted that the e-mail ID used for communication belonged to the erstwhile tax consultant, and therefore the assessee remained **unaware of the notices issued by the Ld. CIT(A)**. Therefore, the non-compliance with the notices was **neither deliberate nor intentional**, but occurred due to lack of knowledge of the communications sent to the old e-mail address. The Ld. Counsel further prayed that given an opportunity, the assessee will duly comply with all requirements and furnish the necessary details, explanations, and evidences before the Revenue authorities. I also note that the assessee had not properly complied during the assessment proceedings before the **Assessing Officer**. Considering the facts and circumstances of the case, and in the interest of justice, I deem it appropriate to restore the matter to the **file of the**

**Assessing Officer for fresh adjudication**, after verifying the details to be furnished by the assessee. Needless to say, the assessee shall be afforded reasonable opportunity of being heard in accordance with the **principles of natural justice**. Accordingly, the appeal of the assessee is **allowed for statistical purposes**.

8. In the result, the appeal filed by the assessee is allowed for statistical purposes.

**The order is pronounced in the open Court on 10.04.2026.**

**Sd/-**  
**(SUCHITRA KAMBLE)**  
**JUDICIAL MEMBER**

Ahmedabad; Dated **10.04.2026**  
(True Copy)

*MV*

**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,**

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