

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“D” BENCH, AHMEDABAD**

**BEFORE SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER AND  
SHRI NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER**

**ITA No. 2203/AHD/2025  
Assessment Years: 2018-19**

<b>Arvind Mevalal Panchal,</b> C/o. Divyang Shah & Co. Chartered Accountants, 201, 2nd floor, Devashish complex, Nr. Regenta, Central Antarim Hotel, Off CG Road, Ahmedabad - 380009  <b>[PAN – CSBPP1072N]</b> (Appellant)	Vs.	<b>Income Tax Officer,</b> <b>Ward - 1(2)(1),</b> Ahmedabad - 380015  (Respondent)
Assessee by	Shri Divyang Shah, AR	
Revenue by	Shri Rameshwar P Meena, SR-DR	
Date of Hearing	09.06.2026	
Date of Pronouncement	11.06.2026	

**ORDER**

**PER NARENDRA PRASAD SINHA, ACCOUNTANT MEMBER:**

This appeal is filed by the assessee against the order of National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as ‘CIT(A)’] dated 04.11.2025 for the Assessment Year (A.Y.) 2018-19 in the proceeding u/s 147 r.w.s. 144 of the Income Tax Act [hereinafter referred as “The Act”].

2. The brief facts of the case are that the assessee had filed his return of income for A.Y. 2018-19 on 31.08.2018 declaring total income of

Rs.2,98,810/-. The assessee had declared turn-over of Rs. 34,33,781/- on which profit was disclosed @ 8% u/s. 44AD of the Act. It subsequently transpired that the assessee had made deposits of Rs.1,37,54,800/- in his bank account and the turn-over to the extent of difference of Rs.1,00,55,112/- was found to be unaccounted. Therefore, the case of the assessee was reopened by issue of notice u/s. 148 of the Act. The assessment was completed u/s. 147 r.w.s. 144 of the Act on 20.03.2024 at total income of Rs.1,40,53,610/-, wherein an addition of Rs.1,37,54,800/- was made on account of unexplained money.

3. Aggrieved with the order of the AO, the assessee had filed an appeal before the first appellate authority, which was decided by the learned CIT(A) vide the impugned order and the appeal of the assessee was dismissed.

4. Now the assessee is in second appeal before us. The following grounds have been taken in this appeal:

1. *Whether, on facts and in circumstances of the case and in law, Ld. CIT(A) has erred in confirming addition of Rs. 1,37,54,800/- as unexplained money u/s. 69A of the Act.*
2. *Whether, on facts and in circumstances of the case and in law, Ld. AO erred in issuing notice u/s. 148 of the Act.*

5. Shri Divyang Shah, the Ld. AR of the assessee submitted that no compliance could be made by the assessee before the Ld. CIT(A) and, therefore, he had dismissed the appeal of the assessee without adjudicating the grounds taken by the assessee on merits. According to the Ld. AR, the non-compliance was due to the fact that the notice of the Ld. CIT(A) was sent on different e-mail Id than the e-mail Id as mentioned

in Form No. 35. He, therefore, requested that the assessee may be allowed another opportunity of being heard by setting aside the matter to the file of the Ld. CIT(A).

6. Per Contra, Shri R P Meena, the Ld. SR-DR, submitted that the assessee had made request for adjournment on two occasions before the Ld. CIT(A) and in view of this fact the plea taken by the assessee that the notice of the Ld. CIT(A) was not received cannot be held as correct. He, however, had no objection if the matter was set aside to the file of the Ld. CIT(A) for allowing another opportunity to the assessee.

7. We have considered the rival submissions. It is found that the Ld. CIT(A) had allowed four opportunities to the assessee for compliance on 22.07.2024, 02.06.2025, 26.06.2025 and 18.08.2025. The assessee had made request for adjournment on 22.07.2024 and on 25.06.2025 and there was no compliance on the other two occasions. Considering the fact that the assessee had made request for adjournment on two occasions, the plea taken by the assessee that the notices of the Ld. CIT(A) were not received by him, cannot be held as correct. The assessee was aware of the on-going proceeding before the Ld. CIT(A). Merely because the last notice of the CIT(A) was sent on a different e-mail Id, the assessee cannot be absolved of his earlier lapses. Further, the e-mail on which the last notice was sent by the Ld. CIT(A), was the email-id as available in the database of the Income Tax Department and was provided by the assessee only. On the earlier three occasions also, the assessee had not made any compliance apart from seeking adjournment on two occasions. Before the AO also no compliance was made by the assessee and no materials were brought on record to explain the credits appearing in the

bank accounts. We, therefore, deem it proper to **impose a cost of Rs.10,000/- on the assessee which should be paid to Prime Minister National Relief Fund** within a period of 15 days from the date of receipt of this order.

8. At the same time, the action of the AO in treating the entire credit entries in the bank account as income of the assessee also cannot be held as correct. We, therefore, set aside the matter to the file of Ld. CIT(A) with a direction to allow another opportunity to the assessee to explain the source of credit entries in the bank accounts and thereafter adjudicate the grounds taken by the assessee on merits; subject to payment of cost by the assessee as directed earlier. The assessee is also directed to bring evidences on record to explain the nature of credit entries in the bank accounts and also comply to the direction of Ld. CIT(A). If found necessary, the Ld. CIT(A) may call for remand report of the AO on the additional evidence filed before him and thereafter adjudicate the grounds taken by the assessee as per law.

9. In the result, the appeal of the assessee is allowed for statistical purpose.

**Order pronounced in the Court on 11/06/2026 at Ahmedabad.**

**Sd/-**  
**(TR SENTHIL KUMAR)**  
Judicial Member  
**Dated – 11<sup>th</sup> June, 2026**

*Neelesh, Sr. PS*

**Sd/-**  
**(NARENDRA PRASAD SINHA)**  
Accountant Member

*(True Copy)*

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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 / DR, ITAT,
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