



AR of the assessee submitted that, the cash credits are the amounts realized from sundry debtors. Further the AR of the assessee submitted the details of the some of the debtors along with cash book. However, the AR of the assessee could not substantiate that the cash deposit amounts reflecting in the bank statement were realized from debtors only. When asked about the identity and genuineness of the transactions, he expressed his inability to produce the confirmation letters from the debtors. He further submitted that full details of all the debtors are not available with him as the amounts were lent a long time back. Thus, in absence of complete documentary evidence, the assertion of the assessee cannot be accepted on face value that money was lent long back but now it is not possible to get those details. Finally, the identity of all the sundry debtors and genuineness of the transactions could not be established. In view of the above observations, the AO proposed to take the peak credit of all the balances appearing in savings bank account which come to Rs 12,17,696/- (Rs 14,33,145 - Rs 1,55,449 (opening balance) When asked about the sources of opening balance, the AR of the assessee submitted that it is the accumulated capital a/c balance over the years and submitted the P&L A/c and capital a/c for the last two AYs which, according to AO appears fair and reasonable. The AO completed the assessment determining the assessed income of the assessee at Rs. 14,84,900/- by making the addition of Rs. 12,77,696/-.

3. Aggrieved by the order of AO, the assessee preferred an appeal before the CIT(A), who dismissed the appeal as barred by limitation by observing that the appeal was not presented within the prescribed time and the assessee has not filed any valid petition for condonation of delay even after substantial

period of time and no sufficient and reasonable cause for not presenting the appeal within time has come on record.

4. Aggrieved by the order of CIT(A), the assessee is in appeal before us raising the following grounds of appeal:

*"1. The learned Commissioner of Income tax(Appeals), in the facts and circumstances of the case, is not justified in holding that there was no valid petition for condonation of delay.*

*2. The learned Commissioner of Income tax(Appeals) is not justified in disposing of the appeal without giving an opportunity to the appellant to explain the deficiency in the condonation petition.*

*3. The appellant reserves his right to add, amend, delete or substitute any ground or grounds during the course of hearing."*

5. Considered the rival submissions and perused the material on record. The CIT(A) dismissed the appeal by not admitting the appeal of the assessee as the appeal was filed before him with a delay of 4 months, for which according to the CIT(A), there was no valid petition filed for the condonation of delay within time. We also noticed that the AR of the assessee i.e. E. Satyanarayana filed petition for condonation of delay but had not filed any Power of Attorney authorizing him to represent the case, due to which, CIT(A) has considered the petition as not proper. The reason for such delay also due to sickness of the AR. Since the assessee has not followed the procedure of appointing proper representative, may be not having proper guidance. Since, the CIT(A) also has not adjudicated on merit, we are inclined to remit this issue back to Id. CIT(A) office and direct him to re-admit the appeal afresh. At the same time, we direct the assessee to file proper Power of Attorney along with the condonation petition, so that CIT(A) can adjudicate on

admission of condonation petition and decide the appeal on merit.

6. In the result, appeal of the assessee is treated as allowed for statistical purposes.

Pronounced in the open court on 12<sup>th</sup> June, 2019.

Sd/-  
(P. MADHAVI DEVI)  
JUDICIAL MEMBER

Sd/-  
(S. RIFAUR RAHMAN)  
ACCOUNTANT MEMBER

Hyderabad, dated 12<sup>th</sup> June, 2019.

*kv*

Copy forwarded to:

1. *Chinni Mahesh, C/o Ch. Parthasarathy & Co., 1-1-298/2/B/3, 1<sup>st</sup> Floor, Ashok Nagar, Hyderabad – 500 020.*
2. *ITO, Ward – 2, Kurnool*
3. *CIT(A), Kurnool*
4. *Pr. CIT, Kurnool*
5. *The DR, ITAT, Hyderabad*
6. *Guard File*

S.No.	Description	Date	Intls	
1.	Draft dictated on			Sr.P.S./P.S
2.	Draft placed before author			Sr.P.S/PS
3.	Draft proposed & placed before the second Member			JM/AM
4.	Draft discussed/approved by second Member			JM/AM
5.	Approved Draft comes to the Sr.P.S./PS			Sr.P.S./P.S
6.	Kept for pronouncement on			Sr. P.S./P.S.
7.	File sent to the Bench Clerk			Sr.P.S./P.S
8.	Date on which file goes to the Head Clerk			
9.	Date of Dispatch of order			