

IN THE INCOME TAX APPELLATE TRIBUNAL
Circuit Bench, Varanasi

Before Shri B.R. Baskaran (AM) & Shri Amit Shukla (JM)

I.T.A. No. 16/VNS/2023 (A.Y. 2016-17)

Om Prakash Mandal C-27/273-3B, Das Nagar Colony, Maldahiya Varanasi, UP-221 002. PAN : ADGPM1764Q (Appellant)	Vs.	ITO-1(3) Maqbool Alam Road, IT Office Varanasi UP-221 002. (Respondent)
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Assessee by	Shri Arvind Shukla
Department by	Shri A.K. Singh
Date of Hearing	26.09.2023
Date of Pronouncement	09.11.2023

ORDER

Per B.R.Baskaran (AM) :-

The assessee has filed this appeal challenging the order dated 04-10-2019 passed by Ld CIT(A), Varanasi and it relates to the assessment year 2016-17. The assessee is aggrieved by the decision of Ld CIT(A) in confirming addition of Rs.14,50,955/- relating to unexplained bank deposits made by the AO.

2. We heard the parties and perused the record. The assessee filed his return of income for the year under consideration declaring a total income of Rs.3,12,640/-. The return of income was selected for limited scrutiny. However, the assessee did not respond to the notices issued by the AO. Hence the AO completed the assessment to the best of his judgment u/s 144 of the Act. The AO noticed that the assessee has maintained three bank accounts and during the year under consideration and the aggregate amount of deposits made into these bank accounts was Rs.14,50,955/-. The AO

treated the same as unexplained deposits and assessed the same as income of the assessee.

3. Before Ld CIT(A) also, the assessee did not appear and hence the Ld CIT(A) dismissed the appeal of the assessee. Aggrieved, the assessee has filed this appeal.

4. The Ld A.R submitted that the assessee is a small businessman running a small shop of general merchandise. During the year under consideration, he has declared turnover of Rs.29,80,000/- and computed income @ 10% u/s 44AD of the Act. He submitted that the impugned deposits represent his business transactions only. He submitted that the turnover of the assessee is double the amount of deposits and accordingly, he submitted that impugned deposits should be considered to have been explained.

5. On the contrary, the Ld D.R submitted that the assessee did not appear before the AO as well as before Ld CIT(A).

6. We have heard rival contentions and perused the record. We noticed earlier that the assessee did not appear before both the AO and Ld CIT(A). Before us, the Ld A.R has submitted some explanation with regard to the sources of deposits. However, we notice there was no occasion for the tax authorities to examine those explanations, since the assessee did not appear before them. Hence we are of the view that, in the interest of natural justice, the assessee may be provided with one more opportunity to present his case properly before the AO. Accordingly, we set aside the order passed by Ld CIT(A) and restore all the issues to the file of AO for examining it afresh duly considering information and explanations that may be furnished by the

assessee. We also direct the assessee to fully cooperate with the assessing officer for expeditious completion of the assessment.

7. In the result, the appeal filed by the assessee is treated as allowed for statistical purposes.

Order pronounced on 09.11.2023.

Sd/-
(Amit Shukla)
Judicial Member

Sd/-
(B.R. Baskaran)
Accountant Member

Varanasi.; Dated : 09/11/2023

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT
5. DR, ITAT, Varanasi.
6. Guard File.

//True Copy//

BY ORDER,

(Assistant Registrar)
ITAT, Varanasi

PS