

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH : BANGALORE**

BEFORE SMT. BEENA PILLAI, JUDICIAL MEMBER
AND
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER

ITA No.631/Bang/2024
Assessment year : 2017-18

Sharanayya, Veerabhadreshawar Chamber Building, No.8/9/220/1, New Busstand Road, Bidar – 585 404. PAN : CBGPS 7223C	Vs.	The Income Tax Officer, Ward 1, Bidar.
APPELLANT		RESPONDENT

Appellant by	:	Shri G. Venkatesh, Advocate
Respondent by	:	Shri Ganesh R. Ghale, Standing Counsel.

Date of hearing	:	07.05.2024
Date of Pronouncement	:	21.05.2024

ORDER

Per Laxmi Prasad Sahu, Accountant Member

This appeal is filed by the assessee against the order dated 07.02.2024 of the CIT(Appeals), National Faceless Appeal Centre, Delhi [NFAC], for the AY 2017-18.

2. The sole and substantive issue involved in this appeal is in regard to addition of Rs.12 lakhs on account of cash deposits during the demonetisation period for want of proper explanation.

3. Briefly stated the facts of the case are that during the demonetisation period the assessee deposited cash of Rs.12 lakhs into the bank account and did not file return of income. Statutory notices were issued to the assessee and the assessee failed to respond. Proceedings u/s. 144 were initiated and final opportunity was granted on 05.09.2019. In response, the assessee submitted that he was maintaining xerox centre in Bidar town in FY 2016-17 and monthly income from rent is Rs.10,000 to Rs.15,000. The cash deposits into bank account was explained as mobilisation of funds from different individuals for purchase of house site. On examination of bank account, it was noticed that there are few transactions and Rs.12 lakhs was deposited on 15.11.2016 and it was transferred through RTGS to Smt. Shobha, W/o. Tulsiram, who is the land owner. For want of proper documentation in respect of claim of assessee, it was added u/s. 69 and applied tax rate u/s. 115BBE of the Act.

4. Aggrieved, the assessee filed appeal before the CIT(Appeals). The CIT(A) issued various notices on different dates, but the assessee did not reply. Accordingly the CIT(A) decided the appeal ex-parte on the basis of material available before him and dismissed the appeal. Aggrieved, the assessee is in appeal before the ITAT.

5. The Id. AR submitted that the CIT(Appeals) has not considered the submissions made by the assessee and he referred to page 27 which is acknowledgement of document submitted on 26.12.2023 before the CIT(A). He also referred to page nos. 61 & 62 of appeal set which is

adjournment application filed by the assessee, but the CIT(A) has mentioned in his order that there was no compliance. Accordingly he submitted that the CIT(A) has wrongly dismissed the appeal of assessee.

6. The ld. DR relied on the orders of lower authorities.

7. Considering the rival submissions, we note that before the CIT(Appeals) the assessee submitted reply which is at page 27 of appeal set in compliance of notices issued by the CIT(A). In response to notice dated 11.12.2023 the due date for compliance was 26.12.2023. The ld. CIT(Appeals) has passed the order on 07.2.2024 which is much later after filing of submissions by the assessee and which is not considered by the CIT(Appeals). Therefore, we remit the issue back to the CIT(Appeals) for fresh consideration and decision as per law in the interest of justice. The assessee is directed not to seek unnecessary adjournment for early disposal of the case.

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

Pronounced in the open court on this 21st day of May, 2024.

Sd/-
(BEENA PILLAI)
JUDICIAL MEMBER

Sd/-
(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER

Bangalore,
Dated, the 21st May, 2024.

/Desai S Murthy /

Copy to:

1. Appellant
2. Respondent
3. Pr.CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.