



**IN THE INCOME TAX APPELLATE TRIBUNAL,
CUTTACK BENCH, CUTTACK**

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND
MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.354/CTK/2024
Assessment Year : 2017-18

Maa Pahadwali Rice Mill, Kamalpur, PO: Telibandha, Dist: Boudh.	Vs.	ITO, Ward, Phulbani
PAN/GIR No.AAUFM 3720 D		
(Appellant)	..	(Respondent)

Assessee by : Shri J.M.Pattnaik & Subit Sahu, Advs
Revenue by : Shri Sanjay Kumar, CIT DR

Date of Hearing : 23/9/2024
Date of Pronouncement : 23/9/2024

ORDER

Per Bench

This is an appeal filed by the assessee against the order of the Id CIT(A), NFAC, Delhi dated 22.7.2024 in Appeal No.NFAC/2016-1/10187625 for the assessment year 2017-18.

2. Shri J.M.Pattnaik and Shri Subit Sahu, Id ARs appeared for the assessee and Shri Sanjay Kumar, Id CIT DR appeared for the revenue.

3. It was submitted by Id AR vide notice u/s.142(1) of the Act, the appellant was asked to explain why Rs.50,35,000/- shall not be added as

income in the hands of the appellant, whereas in the assessment order, an amount of Rs.3,54,70,245/- was made which is in clear violation of principles of natural justice. It was the submission that the Assessing Officer has passed assessment order u/s.147/144 r.w.s 144B of the Act making addition u/s.68 of the Act of the cash deposits made in the cash credit account standing in State of Bank of India without considering the facts of the case. It was also the submission that the Assessing Officer cannot complete the reassessment order without service of the notice so issued upon the assessee in accordance with section 282(1) of the Act. It was the submission that the Id CIT(A) has confirmed the addition made by the Assessing Officer on the ground that the assessee has not been able to substantiate any of the claims by providing any details with respect to contra-entry for example cash flow statement or any details of loan disbursement or cash deposits. It was the submission that if one more opportunity is granted, the assessee would be in a position to substantiate its case before the Assessing officer with supporting evidences.

4. In reply, Id CIT DR vehemently supported the order of the Assessing Officer and Id CIT(A).

5. We have considered the rival submissions. A perusal of the reassessment order shows that as the assessee has failed to explain the source and nature of cash deposits, the Assessing Officer has passed the order exparte u/s.147/144/144B of the Act. It was the submission by Id AR

that although vide notice u/s.142(1) of the Act, the assessee was required to explain the source of Rs.50,35,000/- , whereas in the assessment order, an amount of Rs.3,54,70,245/- was made, which has not been controverted to the assessee. A perusal of the order of Id CIT(A) shows that as there was no response to the remand report furnished to the assessee, the impugned order was passed exparte. Now before us, Id AR request for one more opportunity to substantiate its case before the Assessing officer. Hence, in the interest of justice, the issues in this appeal are restored to the file of the Assessing Officer for readjudication after providing adequate opportunity of hearing to the assessee subject to cost of Rs.25,000/- (Rupees twenty five thousand only) in to be deposited within 60 days from the date of this order under the head "others" in ITNS challan 280 in the Account No.500 and same is to be filed before the Id AO. In the event the cost is not paid, the order passed by the Id CIT(A) and that of the AO would stand confirmed.

6. In the result, appeal of the assessee stands partly allowed for statistical purposes.

Order dictated and pronounced in the open court on 23/9/2024.

Sd/-
(Manish Agarwal)
ACCOUNTANT MEMBER

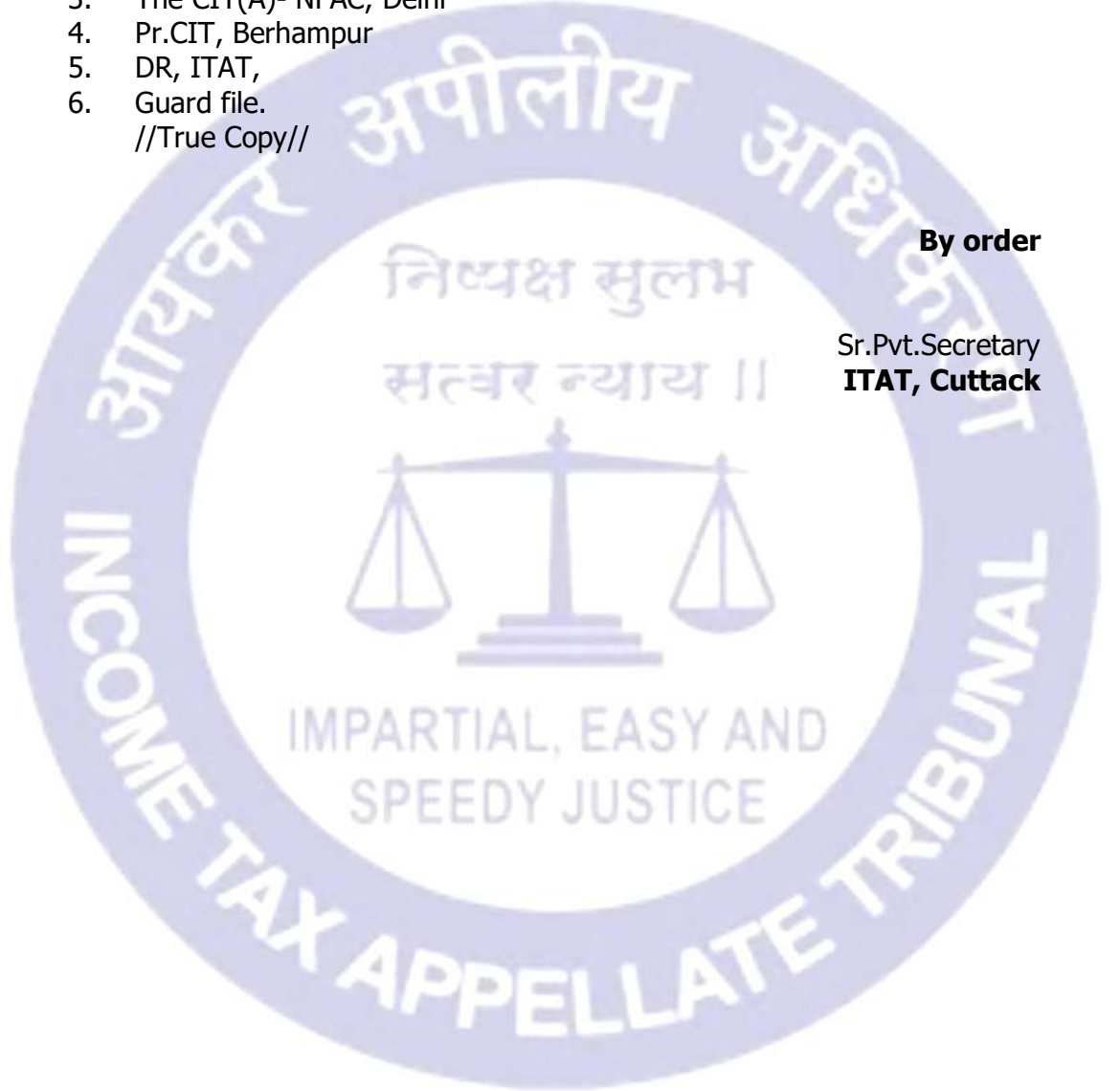
sd/-
(George Mathan)
JUDICIAL MEMBER

Cuttack; Dated 23/9/2024

B.K.Parida, SPS (OS)

Copy of the Order forwarded to :

1. The Appellant : Maa Pahadwali Rice Mill,
Kamalpur, PO: Telibandha, Dist: Boudh
2. The Respondent: ITO, Ward, Phulbani
3. The CIT(A)- NFAC, Delhi
4. Pr.CIT, Berhampur
5. DR, ITAT,
6. Guard file.
//True Copy//



By order

Sr.Pvt.Secretary
ITAT, Cuttack