

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“SMC - B” BENCH : BANGALORE**

**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT**

ITA No.1847/Bang/2024
Assessment Year : 2017-18

M/s. Sree Ramakrishna Lodge, D/No.97, 7 <sup>th</sup> Ward, Near Gandhi Chowk, Hospet – 583 201. <b>PAN : AAKFS 3218 A</b>	Vs.	ITO, Ward –2, Hospet.
APPELLANT		RESPONDENT

Assessee by	:	Shri. Balaram R Rao, Advocate
Revenue by	:	Shri. Ganesh R Gale, Standing Counsel for Department.

Date of hearing	:	24.10.2024
Date of Pronouncement	:	24.10.2024

**ORDER**

*Per George George K, Vice President:*

This appeal at the instance of the assessee is directed against CIT(A)'s order dated 07.08.2024, passed under section 250 of the Income Tax Act, 1961 (hereinafter called 'the Act'). The relevant Assessment Year is 2017-18.

2. Brief facts of the case are as follows:

Assessee is a firm. For the Assessment Year 2017-18, assessee firm did not file any return of income. The Department was having information that assessee had deposited cash into its bank account amounting to Rs.11,78,000/- during the demonetization period. Assessee was directed to explain the source of

cash deposit made into the bank account. In spite of several notices issued under section 142(1) of the Act, there was no compliance by the assessee firm explaining the source of cash deposit. Consequently, a proposal under section 144 of the Act was issued on 31.10.2019 to complete the assessment on best judgment basis under section 144 of the Act. Since there was no reply to the proposal of the AO, the assessment was completed under section 144 of the Act vide Order dated 29.11.2019 bringing to tax the entire cash deposits amounting to Rs.11,78,000/- as unexplained money under section 69A of the Act.

3. Aggrieved, assessee filed appeal before the First Appellate Authority (FAA). The CIT(A) passed ex-parte Order since there was no compliance to the several notices issued from the Office of the CIT(A). Therefore, the appeal of the assessee was dismissed by the CIT(A).

4. Aggrieved by the Order of CIT(A), assessee has filed the present appeal before the Tribunal. The learned AR submitted that the partnership firm is running a small lodge at Hospet. It was submitted that the partners of the firm are husband and wife who are aged and not in good health. It was stated that the assessment proceedings were during the covid period. Consequently, assessee's partner could not attend the assessment proceedings. It was submitted that during the FAA's proceedings, notices were sent through email and assessee did not receive any physical notice for hearing / furnish written submissions. It was stated that assessee being aged and not being computer literate, did not check email regularly. It was prayed that the matter may be restored to the files of the AO in the interest of justice and equity as a last opportunity.

5. The learned Standing Counsel supported the Orders of the AO and the CIT(A).

6. I have heard the rival submissions and perused the material on record. Assessee firm's partners are husband and wife and they are senior citizens. It is the claim of the assessee partners that they are not very familiar with checking email to which the notice of hearing was sent from the Office of the CIT(A). I strongly deprecate the nonchalant attitude of the assessee for non-compliance with the notices sent from the Office of AO and CIT(A). However, in the interest of justice and equity, one more opportunity is provided to the assessee to properly represent its case. Accordingly, the issues raised in this appeal are restored to the files of the AO since the assessment has been completed under section 144 of the Act. The assessee is directed to co-operate with the AO and shall not seek unnecessary adjournment. It is ordered accordingly.

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

*Pronounced in the open court on the date mentioned on the caption page.*

**Sd/-**

**(GEORGE GEORGE K)**  
**Vice President**

Bangalore.

Dated: 24.10.2024.

/NS/\*

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|---------------|-------------------------|
| 1. Appellants | 2. Respondent           |
| 3. DRP        | 4. CIT                  |
| 5. CIT(A)     | 6. DR, ITAT, Bangalore. |
| 7. Guard file |                         |

By order

Assistant Registrar,  
ITAT, Bangalore.