

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR "SMC" BENCH : NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER

ITA.No.436/NAG./2024 [E-APPEAL]
Assessment Year 2017-2018

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| Pankaj Bhaurao Chude, VMV Road, Santoshi Mata Colony, AMRAVATI. PIN – 444 601. PAN AMWPC0922B Maharashtra. | vs. | The Income Tax Officer, Ward-1, Income Tax Office, Saturna, AMRAVATI. PIN – 444 601. Maharashtra. |
| (Appellant) | | (Respondent) |

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| For Assessee : | -None- |
| For Revenue : | Shri Abhay Y. Marathe, Sr. DR |

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| Date of Hearing : | 27.01.2025 |
| Date of Pronouncement : | 29.01.2025 |

ORDER

PER V. DURGA RAO, J.M. :

This appeal has been filed by the assessee against the order dated 14.07.2023, of the learned CIT(A)-National Faceless Appeal Centre, Delhi, relating to assessment year 2017-2018.

2. Briefly stated facts of the case are that the assessee is an individual and filed his return of income on 10.08.2017 declaring total income of Rs.3,20,570/-. As per the information available with the Department, the assessee had deposited cash of Rs.4,45,800/-

in his Bank account maintained with Aditya Anagha Multi State Credit Co-op. Society Ltd., Therefore, the Assessing Officer has reason to believe that income chargeable to tax has escaped assessment. He accordingly reopened the assessment u/sec.147 of the Act by taking necessary approval from the competent authority. The Assessing Officer issued notice u/sec.148 of the Act calling the assessee to file correct return of income. However, the assessee had not filed return of income for the impugned assessment year 2017-2018. Therefore, the Assessing Officer issued statutory notices u/sec.142(1) of the Act calling the assessee to furnish explanation. Since there were no response from the side of the assessee, the passed ex-parte assessment order dated 19.03.2022 by determining the total income of the assessee at Rs.7,66,370/- as against the returned income of the assessee at Rs.3,20,570/- by making addition of Rs.4,45,800/- u/sec.69A of the Act.

3. On being aggrieved, the assessee carried the matter in appeal before the learned CIT(A) and the learned CIT(A) confirmed the order of the Assessing Officer on account of non-prosecution.

4. During the course of hearing, Learned Counsel for the Assessee submitted that the authorities below passed ex-parte order

u/sec.144 of the Act and thereby, they are violated the principles of natural justice. Therefore, the orders of the authorities below are not sustained in the eye of law. He submitted that the Assessing Officer made an addition of Rs.4,45,800/- on account of cash deposit in bank account during demonetization period. He drew the attention of the Bench that the said amount does not belong to the assessee and the said bank account is exclusively used for the purpose of daily cash collection from account holders of the society, by the daily commission agents. He, therefore, submitted that the addition made by the Assessing Officer and confirmed by the learned CIT(A) be deleted in the interest of justice.

5. The Learned DR on the other hand strongly relied on the orders of the authorities below. He submitted that the assessee failed to furnish details as called for either before the Assessing Officer or before the learned CIT(A). Therefore, the authorities had no option, but, to pass the impugned ex-parte orders. He accordingly submitted that that the orders of the lower authorities be confirmed.

6. I have heard the rival submissions of both the parties and perused the material on record. I find that amount in question i.e., Rs.4,45,800/- does not belong to the assessee and that the amount

deposited in the bank account is also exclusively for the purpose of daily cash collection from account holders of the society. I am satisfied with the explanation offered by the assessee. I, therefore, delete the addition of Rs.4,45,800/- made in the hands of the assessee as the cash does not belong to him and that the purported bank account is exclusively for the purpose of daily collection from account holders of the society. I hold and direct accordingly.

7. In the result, appeal of the assessee is allowed.

Order pronounced in the open Court on 29.01.2025.

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Nagpur, Dated 29th January, 2025

VBP/-

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| 1. | The appellant |
| 2. | The respondent |
| 3. | The CIT(A), Nagpur concerned |
| 4. | The CIT, Nagpur concerned |
| 5. | The D.R. ITAT, Nagpur SMC-Bench, Nagpur |
| 6. | Guard File. |

//By Order//

True Copy

Sr. Private Secretary : ITAT : Nagpur Bench
NAGPUR.