

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD "B" BENCH: HYDERABAD

BEFORE SHRI MANJUNATHA G, ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, JUDICIAL MEMBER

ITA.No.319/Hyd./2025
Assessment Year 2017-2018

Jai Shanker Nadikuda, Hyderabad - 500 028. Telangana. PAN AJXPN0722G	vs.	The Income Tax Officer, Ward-13(3), Hyderabad.
(Appellant)		(Respondent)

For Assessee :	Smt. S. Sandhya, Advocate
For Revenue :	Shri R. Kumaran, Sr. AR

Date of Hearing :	01.05.2025
Date of Pronouncement :	06.05.2025

ORDER

PER MANJUNATHA G. :

This appeal has been filed by the assessee against the order dated 10.10.2024 of the learned CIT(A)-National Faceless Appeal Centre [in short the "NFAC"] Delhi, relating to the assessment year 2017-2018.

2. At the out set, there is a delay of 55 days in filing the appeal before the Tribunal. The Learned Counsel for the Assessee filed an affidavit explaining the reasons that the assessee was undergoing medical treatment during the said period and also filed medical certificate in support of the contention. He, accordingly, pleaded that the delay of 55 days in filing the appeal before the Tribunal is neither wilful nor wanton, but, the circumstances beyond the control of the assessee. We are satisfied with the reasons furnished by the assessee in his affidavit for condonation of delay of 55 days in filing the appeal before the Tribunal. We, therefore, condone the delay of 55 days in filing the appeal before the Tribunal and proceed for adjudication.

3. Briefly stated facts of the case are that, the assessee is an individual, derives income from salary only and filed his return of income on 26.07.2017 declaring total income of Rs.7,10,457/- and claimed deduction of Rs.1,50,000/- u/sec.80C of the Act and offered taxable income of Rs.5,60,460/-. The case of the assessee has been selected for scrutiny that he had made cash deposit of

Rs.10,40,000/- during demonetization period and, therefore, the Assessing Officer called upon the assessee to furnish information with regard to the cash deposit. Since the assessee did not respond to any of the notices issued by the Assessing Officer u/sec.142(1), the Assessing Officer assessed the income of the assessee at Rs.16,00,460/- by making addition of Rs.10,40,000/- u/sec.69A of the Act as unexplained money to the returned income of the assessee of Rs.5,60,460/- and passed ex-parte assessment order dated 30.08.2019 u/sec.144 of the Income Tax Act, 1961.

4. On being aggrieved, the assessee carried the matter in appeal before the learned CIT(A). The learned CIT(A) also issued notices u/sec.250 of the Act. Since the assessee did not file any reply to substantiate his case, the learned CIT(A) sustained the addition made by the Assessing Officer by passing ex-parte order dated 10.10.2024 u/sec.144 of the Act.

5. Smt. S. Sandhya, Advocate-Learned Counsel for the Assessee, submitted that, the authorities below passed ex-parte orders and thereby, the assessee was prevented to

substantiate his case before the learned CIT(A). She accordingly pleaded that, one more opportunity may please be provided to the assessee to substantiate his case before the learned CIT(A) in the interest of justice.

6. Shri R. Kumaran, Sr. AR for Revenue, supporting the orders of both the lower authorities submitted that, although, the authorities below have issued notices to substantiate his case, the assessee did not respond to the same and, therefore, the authorities had no option, except to pass ex-parte orders which is in accordance with law. He accordingly submitted that the order of the learned CIT(A) be confirmed.

7. We have heard both the parties, perused the material on record and the orders of the authorities below. We find that, there is no dispute with regard to the fact that, the assessee is a salary employee and filed his return of income declaring taxable income of Rs.5,60,460/- and claimed deduction of Rs.1,50,000/- u/sec.80C of the Act. As per the information available with the department, the assessee has deposited a sum of Rs.10,40,000/- into the

bank during demonetization period. Since the assessee did not file his reply despite notice was issued to him by the Assessing Officer, the Assessing Officer made the addition of Rs.10,40,000/- as unexplained money by invoking the provisions of sec.69A r.w.s.115BBE of the Act. Even during the course of appellate proceedings before the learned CIT(A), the assessee did not respond to the notices issued by the learned CIT(A) u/sec.250 of the Act and, therefore, the learned CIT(A) has also passed ex-parte order u/sec.144 of the Act. From the above, it is clear that both the authorities have passed ex-parte orders. The contention of the Learned Counsel for the Assessee before the Tribunal is that, the assessee was not provided with adequate opportunity of hearing. We, therefore, in the interest of justice, remit the matter back to the file of learned CIT(A) with a direction to decide the issue afresh, by giving adequate opportunity of being heard to the assessee. Accordingly, the grounds of appeal of the assessee are allowed for statistical purposes.

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

Order pronounced in the open Court on 06.05.2025.

Sd/-
[RAVISH SOOD]
JUDICIAL MEMBER

Sd/-
[MANJUNATHA G]
ACCOUNTANT MEMBER

Hyderabad, Dated 06th May, 2025

VBP

Copy to

1.	Jai Shanker Nadikuda, H.No.12-252, Kummarwadi, Asifnagar, Hyderabad - 500 028. Telangana.
2.	The Income Tax Officer, Ward-13(3), Aaykar Bhavan, Hyderabad.
3.	The DR ITAT "B" Bench, Hyderabad.
4.	Guard File.

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//By Order//