



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

BEFORE SHRI DUVVURU RL REDDY, VICE PRESIDENT(KZ)

ITA No.212/CTK/2025
Assessment Year : 2017-18

| | | |
|--|-----|-----------------------|
| Anil kumar Jena Kalapada, Sri baladevjew Kendrapara 754212 | Vs. | ITO, Ward, Kendrapara |
| PAN/GIR No.AWGPJ7420B | | |
| (Appellant) | .. | (Respondent) |

Assessee by : Shri S.K.Sarangi, CA
Revenue by : Shri S.C.Mohanty, Sr.DR

Date of Hearing : 30/06/2025
Date of Pronouncement : 30/06/2025

ORDER

The present appeal is directed at the instance of assessee against the order of Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NAFC), New Delhi NFAC), Delhi, dated 08//01/2024 in Appeal No.CIT(A),Cuttack/10507/2019-20 passed for Assessment Year 2017-18.

3. The appeal is time barred by 362 days. The assessee has filed condonation petition supported by affidavit stating that the assessee was not aware of the order being passed by the Id CIT(A) because he was under

stress and occupied with son's medical treatment. Even-otherwise, the order passed by the Id CIT(A) is an exparte order, therefore, due to lack of knowledge about passing of order by the Id CIT(A), the delay has been occurred. It was prayed that the delay in filing of appeal be condoned and the appeal be decided on merit.

4. After hearing the parties and considering the delay condonation petition, I am satisfied that the delay has been occurred due to lack of knowledge of order being passed by the Id CIT(A). I am also satisfied that the reason given in the condonation petition and accordingly, condone the delay and admit the appeal for hearing.

5. Facts of the case are that the assessee is an individual derives income from business and profession. The assessee filed his return of income for the assessment year 2017-18 on 25.8.2017 admitting total income of Rs.6,06,400/-. The case was selected for limited scrutiny under CASS to verify the cash deposits during the year and, accordingly, notices u/s.143(2) and 142(1) were issued to the assessee. There was no response to the notices. Therefore, the AO, on the basis of audited profit and loss account, required the assessee to produce cash book, purchase register, sales register and stock register to examine the transaction made during assessment year under consideration. As no details were furnished, the AO completed the assessment u/s.143(3) of the Act determining the assessed income at Rs.48,50,900/- by adding a sum of Rs.42,44,500/- as unexplained

income u/s.69A of the Act in the hands of the assessee. Aggrieved with the assessment order, the assessee carried the matter in appeal but before the Id CIT(A), there was no response from the side of the assessee to explain the cash deposits in the account of the assessee. Accordingly, the appeal was dismissed.

6. At the time of hearing, Id AR of the assessee submitted that the audited financial statements were available to the AO, where it could be seen that the cash deposit of Rs.42,44,500/- is much less than the total sales of Rs.4,41,13,976/-, which proves that the cash deposits are out of sale proceeds. It is stated that the AO has not brought any factual details or evidences to prove that the cash deposits are specified bank notes. He submitted that the Id CIT(A) has also confirmed the addition without affording opportunity to the assessee. He prayed that if one more opportunity is granted, the assessee will furnish all the documents/evidences in support of the claim.

7. Ld Sr DR supported the orders of lower authorities.

8. I have considered the rival submissions. It is noticed that the assessment order has been passed u/s.143(3) of the Act. A perusal of assessment order shows that the assessee has furnished audited balance sheet before the AO. However, the assessee failed to explain the source of cash deposit during the demonetisation period amounting to Rs.42,44,500/-

. Therefore, the AO added Rs.42,44,500/- treating the same as unexplained income u/s.69A of the Act. On appeal, Id CIT(A) required the assessee to furnish monthly cash sales and cash deposits for the assessment year 2016-17, 2017-18 and 2018-19, purchase and sales ledger and also copy of bank account in which the cash was deposited. The assessee could not furnish the same before the Id CIT(A) and also could not comply with the notices. It was in this backdrop that the Id CIT(A) confirmed the addition made by the Assessing Officer. Before me, Id AR claims that if one more opportunity is granted, the assessee will furnish all the necessary documents in support of the cash deposit in the bank. It was the submission of Id AR of the assessee that the impugned addition has been made without bringing on record any evidence regarding deposit of demonetised currency of Rs.42,44,500/-. The AO has not brought on record any evidence, which could justify the addition. The explanation of the Id AR that deposits made during demonetisation period were the trading receipts has not been controverted by the revenue. If it is so, the addition is not sustainable. Therefore, in the interest of justice, the issues in this appeal are restored to the file of the AO for fresh adjudication, after obtaining information from the bank regarding deposit of demonetised currency and after providing reasonable opportunity to the assessee to explain the same. The assessee is also directed to produce all necessary documents and evidences to substantiate his claim before the AO, failing which, the AO is at liberty to

pass the assessment order as per law. With these directions, the issues are restored to the file of the AO.

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

Order dictated and pronounced in the open court on 30/06/2025.

Sd/-
(DUVVURU RL REDDY)
VICE PRESIDENT

Cuttack: Dated 30/06/2025
B.K.Parida, Sr. PS (OS)

Copy of the Order forwarded to :

1. The Appellant : Anil kumar Jena
Kalapada, Sri baladevjew
Kendrapara 754212
2. The Respondent : ITO, Ward, Kendrapara
3. The CIT(A)-,NFAC, Delhi
4. Pr.CIT- Cuttack
5. DR, ITAT, Cuttack
6. Guard file.
//True Copy//

By order

Asst.Registrar,
Itat, cuttack