

IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI SONJOY SARMA, JUDICIAL MEMBER AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

ITA No. 265/Ran/2023
(Assessment Year-2017-18)
(Virtual Hearing)

Sri Dinesh Agarwal, A-506, Bansal Tower, R K Bhattacharya Road, Patna-800001 (Bihar) PAN No. ACWPA 4107 A	Vs.	DCIT/ACIT, Circle-1, Ranchi.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Devesh Poddar, A.R.
Department represented by	Shri Khubchand T. Pandya, Sr.DR
Date of hearing	02/07/2025
Date of pronouncement	28/07/2025

ORDER

PER: RATNESH NANDAN SAHAY, A.M.

1. This appeal by the appellant is directed against the order of the National Faceless Appeal Centre, Delhi (NFAC)/learned Commissioner of Income Tax (Appeals), [in short, the Id. CIT(A)] dated 14/08/2023 for the Assessment Year (AY) 2017-18. The appellant has raised following grounds of appeal:

- "1. *For that Ld CIT(A) was not justified in dismissing the appeal of the assessee alleging that there was no compliance made and upholding the addition made on merits. The initial date of compliances were fixed during the peak COVID period and as such, no compliance could have been made. Further on the recent dates, adjournment petition was filed which has not been considered and looked into. As such, CIT(A) was not justified in alleging that neither any compliance has been made nor any adjournment petition was filed.*
2. *For that the addition made for ₹ 1,00,00,000/- as alleged cash deposited during the demonetization period is uncalled for and fit to be deleted since the same has been made on assumption basis stating that previously the assessee never had such cash sales.*
3. *For that the lower authorities while making the addition should have rightly considered the bank account of the assessee alongwith the audited accounts showing the total turnover. The cash sales made during the year stands accounted for in the audited books and as such, no separate addition is called for. Once when*

the total sale disclosed by the assessee is not disputed, then the cash received against the same cannot be alleged to be unaccounted. As such, the addition made is uncalled for and fit to be deleted.

4. *For that other grounds in detail will be argued at the time of hearing."*
2. At the outset, we find from perusal of record that there is delay of about two months in filing of this appeal by the appellant before the Tribunal. Impugned order was passed by the Id. CIT(A) on 14/08/2023, however, this appeal was filed on 13/12/2023. The appellant has filed application for condonation of delay mentioning the fact that the due to some technical error in the filing portal, the appeal could not be filed in time even after repeated attempts made for the same. The appellant stated that the delay in filing appeal was neither intentional nor deliberate and the appellant has good case on merit would suffer prejudice if delay is not condoned in his case and the appeal is not adjudicated on merit. On the other hand, the learned Senior Departmental Representative (Id. Sr.DR) for the revenue submits that on the issue of condonation of delay, the Bench may take appropriate view in accordance with law. Therefore, considering the fact that the delay is not inordinate and seems to be not intentional, therefore, the delay of about two months in filing this appeal is condoned.
3. Facts of the case in brief are that the appellant is a proprietor of M/s G.D. Enterprises which operates as trading concern and also deals in as a stockiest of cement and iron and steel etc. The Assessing Officer has mentioned in the assessment order that the assessee has deposited huge cash during demonetization period as compared to pre-demonetization period, that is why the case was selected under Computer Assisted Scrutiny Selection (CASS) When the assessee was asked by the Assessing Officer to submit the details of

the cash sales and cash deposits for the F.Y. 2015-16 and 2016-17, it was found that the cash deposits were made during 09/10/2016 and 31/12/2016. The said deposits were found to be abnormal in comparison to the cash sales and cash deposits shown in earlier financial years. The Assessing Officer, after considering the details filed by the assessee, noted that the assessee is in the business of wholesale trading of cement and therefore, in this business, there was no cash generation as well as cash transactions and the assessee was supposed to get the revenue through banking channels. The Assessing Officer, therefore, asked the assessee to give details of cash deposited during two financial years i.e. F.Y. 2015-16 and 2016-17 in a proforma giving the details of cash sales made during this period. The appellant though, submitted the details of cash sales made during two financial years, however, it could not satisfactorily explain the source of cash deposits as required by the Assessing Officer. Thus, the cash deposits made in the bank account made from 09/11/2016 to 31/12/2016 was held by the Assessing Officer to be unexplained and added in the income of assessee under Section 68 of the Income Tax Act, 1961.

4. Aggrieved by the order of Assessing Officer, the assessee filed appeal before the Id. CIT(A), who vide impugned order, confirmed the addition made by the Assessing Officer on the ground that the assessee has not submitted any details before the Id. CIT(A) during the appellate proceedings despite giving several opportunities of being heard.
5. Aggrieved by the order of the Id. CIT(A), this appeal has been preferred by the assessee before this Tribunal.

6. During the appellate proceedings before us, the appellant himself has admitted that the compliances before the Id. CIT(A) could not be made as it was during the peak period of COVID, though, the adjournment petitions were filed regularly.
7. The Id. Sr. DR, on the other hand, supported the orders of the lower authorities.
8. Thus, considering the above submission, we deem it appropriate to send the matter back to the file of Id. CIT(A) for deciding the issue afresh after giving reasonable opportunity of being heard to the appellant and the appellant is also directed to submit all the details before the Id. CIT(A) as and when required. In the result, the grounds of appeal raised by the assessee are allowed for statistical purposes.
9. In the result, this appeal of assessee is allowed for statistical purposes only.

Order announced in open court on 28th July, 2025.

Sd/-
(SONJOY SARMA)
JUDICIAL MEMBER

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

Ranchi, Dated: 28/07/2025

**Ranjan*

Copy to:

1. Assessee
2. Revenue
3. CIT
4. DR
5. Guard File

By order

Sr. Private Secretary, ITAT, Ranchi