

**IN THE INCOME TAX APPELLATE TRIBUNAL
'SMC' BENCH : BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No. 314/Bang/2025
Assessment Year : 2017-18

Shri Gangadhara Lingaiah, No. 50, Pipeline Road, BEL Layout II Phase, Vishwaneedam Post, Gollarahatti, Bangalore – 560 091. PAN: ABXPL6912C	Vs.	The Income Tax Officer, Ward – 1(2)(6), Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	Shri Monish Sowkar, Advocate
Revenue by	:	Shri Ganesh R Ghale, Standing Counsel for Dept.

Date of Hearing	:	25-08-2025
Date of Pronouncement	:	28-08-2025

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

This is an appeal filed by the assessee challenging the order of NFAC, Delhi dated 27/01/2023 in respect of the A.Y. 2017-18.

2. The brief facts of the case are that the assessee is an individual and e-filed his return of income on 09/11/2017. The case was selected for limited scrutiny for verifying the cash deposits made during the demonetisation period. Notices u/s. 142(1) were issued but the assessee

had not responded to any of the notices. The AO issued a letter to the Corporation Bank and got the bank statement details of the assessee and found that the assessee had deposited a sum of Rs. 13,44,000/- during the demonetisation period. The AO added the said amount as unexplained cash credit u/s. 69A of the Act. As against the said order, the assessee filed an appeal before the Ld.CIT(A). The Ld.CIT(A) had dismissed the appeal on the ground that the assessee is not interested in prosecuting the appeal.

3. As against the said order, the present appeal is filed before this Tribunal with a delay of 692 days.

4. The assessee also filed a delay condonation application in which the assessee had narrated the events leading to the delay in filing the appeal and its main allegation was about the income tax practitioner who had attended the assessment proceedings as well as the appellate proceedings. The assessee further submitted that because of the said mistake committed by the said income tax practitioner, the assessment was made u/s. 144 of the Act as well as the appellate authority had passed an ex-parte order. Further, the assessee submitted that the said income tax practitioner also undertook to file the appeal before this Tribunal but he has not filed the appeal. After a long gap, when the said income tax practitioner, enquired about the appeal and at that time only, the assessee came to know that he has not filed the appeal before this Tribunal. Thereafter, the assessee made alternate arrangements and the appeal was filed with a delay of 692 days. The assessee submitted that the said delay is neither wilful nor wanted but due to the Bonafide reasons as stated above and submitted that the assessee should not be penalised for the mistakes committed by the income tax practitioner as held by various High Courts and prayed to condone the said delay.

5. We have considered the delay condonation application as well as the submissions made by the assessee and also considered the prima facie case of the assessee and therefore, in the interest of justice, we are condoning the

delay in filing the appeal before this Tribunal and proceeded to take up the appeal on merits.

6. At the time of hearing, the Ld.AR submitted that the assessee had limited knowledge in the new income tax proceedings and therefore whenever he received the communication, he will forward it to the authorised representative and was of the view that the authorised representative would take care of the appeal proceedings but unfortunately, the said authorised representative had not attended the appeals and therefore an ex-parte order has been passed by the Ld.CIT(A). The Ld.AR further submitted that because of the non-cooperation of the authorised representative, the AO as well as the Ld.CIT(A) had passed an ex-parte order and in fact the appeal before the Tribunal was filed with a delay of 692 days. The Ld.AR therefore submitted that one more opportunity may be granted to explain the source for the cash deposits made during the demonetisation period. The Ld.AR also filed a paper book enclosing the copy of the sale deed dated 28/10/2016 to show that the assessee had sufficient funds for deposit during the demonetisation period.

7. The Ld.DR relied on the orders of the lower authorities and also relied on the order of this Tribunal in case of Shri Prem Prakash Gupta vs. ITO in ITA No. 53/Bang/2025 vide order dated 11/06/2025 and prayed to dismiss the appeal.

8. We have heard the arguments of both sides and perused the materials available on record.

9. The main allegation for not appearing before the authorities are that the authorised representative had not taken any action at the time of assessment as well as before the Ld.CIT(A). We have also considered the said facts and also the fact that the assessee was a retired employee from Bruhat Bengaluru Mahanagara Palike and also having documents to show that he has received cash by way of sale of property which was not produced

before the authorities, we are of the view that one more opportunity may be granted to the assessee to appear before the AO and produce the necessary documents before him.

10. We also direct the assessee to pay a sum of Rs. 1,000/- towards the cost to the income tax department and produce the copy of the receipt before the AO at the time of the remand proceedings.

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

Order pronounced in the open court on 28th August, 2025.

Sd/-
(WASEEM AHMED)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 28th August, 2025.
/MS /

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

By order

Assistant Registrar,
ITAT, Bangalore