

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 688/Coch/2025
Assessment Year: 2019-20**

Rajesh Sivan Appellant
Adhibhavan, Thrikkakara S.O., Ernakulam
[PAN: BANPS8167A]

vs.

The Income Tax Officer, WD-1 & TPS, Kannur Respondent

Assessee by: Shri Lukose Joseph, CA
Revenue by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 29.10.2025
Date of Pronouncement: 24.11.2025

ORDER

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 18.07.2025 for Assessment Year (AY) 2019-20.

2. Brief facts of the case are that the appellant is an individual engaged in the business of construction of residential houses. No regular return of income under the provisions of section 139(1) of the Income Tax Act, 1961 (the Act) was filed for AY 2019-20 by the appellant. Based on the information that the appellant had made deposits in Bank of Baroda and Federal Bank aggregating to Rs. 39,86,000/- , the AO issued a notice u/s. 148 of the Act, 1961 (the

Act) 29.03.2023. In response to notice u/s. 148, the appellant filed return of income on 28.04.2023 declaring total income of Rs. 6,12,020/-. Against the said return of income, the assessment was completed by the Assessment Unit of Income Tax Department (hereinafter called "the AO") vide order dated 14.02.2024 passed u/s. 147 r.w.s. 144B of the Act at total income of Rs. 45,98,020/-. While doing so, the AO treated the cash deposits in the bank accounts of Rs. 39,86,000/- as unexplained money of the appellant and brought to tax the same.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

5. The learned counsel for the assessee submits that the cash deposits made in the bank accounts were out of the gross revenue of business receipts of the appellant. The business receipts are duly accounts in the books of account and, therefore, the AO was not justified in treating the cash deposits as unexplained money of the appellant. It is further submitted that the appellant could not reply to the notices issued by the AO for the reason that the business receipts of the appellant were severely affected by the flood in Kerala.

6. On the other hand, learned Sr. DR opposed the above submissions of the appellant.

7. I heard the rival contentions and perused the material available on record. The AO had treated the cash deposits in the bank accounts as unexplained money of the appellant for the failure of the appellant to discharge the onus of proving the source of cash deposits. It is undisputed fact that the appellant had failed to respond to the notices issued by the AO. However, having regard to the reasons given for non compliance of the notices by the assessing authorities, I am satisfied that it is a fit case to remand the matter back to the file of the AO for de novo assessment in accordance with law after affording reasonable opportunity of hearing to the appellant.

8. In the result, the appeal filed by the assessee stands partly allowed for statistical purposes.

Order pronounced in the open court on 24th November, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 24th November, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin