

IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

ITA No. 241/Ran/2023
(Assessment Year-2017-18)
(Virtual Hearing)

Baby Chatterjee, 2A/2B, Krishna Enclave, North Office Para, Doranda, Ranchi-834002 (Jharkhand) PAN No. ANPPC 8818 A	Vs.	I.T.O., Ward 1(3), Ranchi.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Shri Devesh Poddar, A.R.
Department represented by	Shri Khubchand T. Pandya, Sr.DR
Date of hearing	17/11/2025
Date of pronouncement	16/12/2025

ORDER

PER: RATNESH NANDAN SAHAY, A.M.

1. This appeal by the assessee is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi/learned Commissioner of Income Tax (Appeals), Patna-3, Patna [in short, the Id. CIT(A)] dated 09/08/2023 for the Assessment Year (AY) 2017-18. The assessee has raised following grounds of appeal:

- "1. For that Ld CIT(A) was not justified in dismissing the appeal of the assessee in a summary manner without rightly appreciating the facts and grounds of appeal.
2. For that the case of the assessee was selected for limited scrutiny on the reason "cash deposited during the year." The AO was not justified in travelling beyond this limited issue and making addition of entire credits/deposits (cash as well as cheque bank transfer) made in the bank account of the assessee. As such, the addition made by the AO and confirmed by the Ld CIT(A) to that extent (Rs. 25,11,000/-) is bad in law.
3. For that the lower authorities have failed to consider and appreciate that the fact that the assessee works as an advertising contractor and gets paid/reimbursed from customers in cash which is deposited in her account

and transferred to the media house and or their agents. From the bank statement of the assessee it can be clearly seen that against each cash deposit, there is subsequent transfer made. As such, the entire deposit, by no means can be considered as income of the assessee.

4. *For that the total addition made for Rs. 78,61,000/- U/s 69A is uncalled for and fit to be deleted. At the outset, this amount includes bank transfer of Rs. 25,11,000/- which the AO could not have look into and against the remaining cash deposit of Rs. 53,50,000/- the same in totality cannot be considered as income. Addition if any could be restricted to the profit element after giving credit of the income disclosed. As such, the addition made for Rs. 78,61,000/- in totality is uncalled for and fit to be deleted.*
5. *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 one month in filing of this appeal by the appellant before the Tribunal. Impugned order was passed by the Id. CIT(A) on 09/08/2023, however, this appeal was filed on 10/11/2023. The appellant has filed application for condonation of delay mentioning the fact that the in the month of September and October, the office of the Authorised Representative of the assessee was preoccupied with audit, ITR filing and other time bound statutory compliances. The assessee was trying to e-file the appeal, however, due to technical error, the same could not be uploaded. As such, being left with no alternate option, the assessee had filed this appeal manually. 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 one month in filing this appeal is condoned.

3. Facts of the case, in brief, are that the assessee had declared income under the head 'income from salary and income from other sources (interest)' for the assessment year under consideration and declared total income at ₹ 4,16,400/- . The case was selected for limited scrutiny through CASS selection on the ground of "cash deposit during the year". Accordingly, statutory notices were issued from time to time. However, no compliance was made by the assessee. Further, a notice under Section 142(1) of the Income Tax Act, 1961 (in short, the Act) was issued on 29/01/2019 requiring the assessee to furnish certain details/documents on or before 06/02/2019 but again no compliance was made by the assessee either on one pretext or another. Accordingly, penalty proceedings under Section 274 read with section 272A(1)(d) of the Act were initiated. Since no compliance was made by the assessee despite having been given several opportunities of being heard, the Assessing Officer added a sum of ₹ 78,61,000/- under Section 69A of the Act and charged income tax rate as prescribed under Section 115BBE of the Act on the ground that all credit entries made in the bank account No. 50100043805813 maintained by the assessee in HDFC bank, Anantpur Branch, Ranchi remained unexplained. Penalty under Section 271AAC of the Act was also initiated by the Assessing Officer for failure to comply with the notices issued by the Assessing Officer.
4. Aggrieved by the order of the Assessing Officer, the assessee filed appeal before the Id. CIT(A), who vide the impugned order, held that the assessee had failed to explain the source of cash deposits made in the said bank account

despite having been given several opportunities of being heard and the assessment was made ex parte. The assessee, on the other hand, has submitted in its written submission filed before the Id. CIT(A) that ₹ 25,11,000/- is out of bank transfer and ₹ 53,50,000/- is out of cash deposits. It was explained by the appellant before the Id. CIT(A) that the appellant is in the business of advertising contracts and the cash was received from the parties from whom the advertising contracts were given. The appellant, therefore, pleaded before the Id. CIT(A) that the income of the assessee should be estimated at the same rate of 8.04% of ₹ 53,50,000/- which has already been declared by the assessee being "no account case". The Id. CIT(A), further held in the impugned order that no books of account or ledgers of the parties from whom the cash were received for advertising contracts were filed and no correlation has also been made with the receipt and the cash deposits. Hence, due to lack of evidence before, in the appellate proceedings, the addition made by the Assessing Officer is confirmed and the appeal of the assessee is dismissed.

5. Further aggrieved by the order of Id. CIT(A), the present appeal has been filed by the assessee before this Tribunal.
6. During the course of hearing before us, the Id. AR of the assessee submitted that the assessee is in the business of executing advertising contracts and received cash and had deposited in the HDFC bank and has declared a sum of ₹ 2,25,600/- under the head income from other sources on the total deposits of ₹ 78,61,000/- i.e. around 8% of the total deposits. The appellant is not

maintaining any books of account, ledger etc., therefore, the income of the assessee should be estimated @ 8% under Section 44AD of the Act.

7. On the other hand, the Id. Sr.DR for the revenue submitted that no compliance was made before the Assessing Officer to explain the source of cash deposits in the said bank account and the nature of business and therefore, the case should be remanded bank to the file of Assessing Officer to explain the cash deposits made in the said bank account.
8. We have considered the rival submissions and it is found that out of ₹ 78,61,000/-, a sum of ₹ 25,11,000/- have been paid through bank transfer and therefore, there is no reason to treat it as undisclosed. Regarding remaining cash deposit of ₹ 53,50,000/-, the matter is restored back to the file of Assessing Officer to seek explanation of the appellant on the source of cash deposits and decide the issue afresh after affording the appellant reasonable opportunity of being heard.
9. In the result, this appeal of assessee is partly allowed.

Order announced in open court on 16th December, 2025.

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

Ranchi, Dated: 16/12/2025

**Ranjan*

Copy to:

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

By order

Sr. Private Secretary, ITAT, Ranchi