

**आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक**  
**IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK**  
**(THROUGH VIRTUAL HEARING)**

श्री जार्ज माथन, न्यायिक सदस्य एवं श्री राजेश कुमार, लेखा सदस्य के समक्ष ।

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER  
AND  
SHRI RAJESH KUMAR, ACCOUNTANT MEMBER**

आयकर अपील सं/ITA No.538 & 541/CTK/2025

(निर्धारण वर्ष / Assessment Year : 2014-2015)

**AND**

आयकर अपील सं/ITA No.565/CTK/2025

(निर्धारण वर्ष / Assessment Year : 2016-2017)

<b>Sylvesa Infotech Private Limited</b> Plot No.S4/10 Niladri Vihar, Sailashree Vihar, Bhubaneswar	Vs	<b>ITO Ward-1(1), Bhubaneswar</b>
PAN No. : <b>AAHCS 0489 D</b>		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से /Assessee by	:	Shri B.D.Ojha & Shri Abhishek Ojha, ARs
राजस्व की ओर से /Revenue by	:	Shri Ashim Kumar Chakraborty, CIT-DR appeared in ITA Nos.538&541/CTK/2025 & Shri Vijay Singh, Sr. DR appeared in ITA No.565/CTK/2025.
सुनवाई की तारीख / <b>Date of Hearing</b>	:	03/12/2025
घोषणा की तारीख/ <b>Date of Pronouncement</b>	:	03/12/2025

**आदेश / O R D E R**

**Per Bench :**

These are the three appeals filed by the assessee against the separate orders of the Ld.CIT(A), National Faceless Appeal Centre (NFAC), Delhi, dated 21.08.2025 & 28.08.2025, passed for the assessment year 2014-2015 & 2016-2017.

**ITA No.538/CTK/2025 (AY : 2014-2015)**

2. It was submitted by the Id. AR that in the course of assessment the AO had asked the assessee to prove the deposits in the bank account of

the assessee to an extent of Rs.11,73,40,969/-. It was the submission that the assessee had given the details as follows :-

*SYLVESA INFOTECH PRIVATE LIMITED  
ITA NO. 538/CTK/2025.  
AY 2014-15.*

*Short note on Grounds of Appeal raised before Honorable ITAT.*

*A. Facts.*

*The assessee is a company engaged in business of dealing computer hardware, software and IT enabled services. The return of income under Section 139(1) for AY 2014-15 could not be filed due to management disturbances. Notice U/s 148 dated 28.07.2022 was issued to the assessee alleging that the return of income for the impugned AY has not been filed by the assessee though there are credits of Rs. Rs. 11,73,40,969/-in the bank accounts of the assessee maintained with Axis Bank and State Bank of India thereby remaining unexplained & found to have escaped assessment.*

*B. Grounds of Appeal- We would like to take up point no 3 of Grounds of Appeal first.*

*1. The appellant filed its return of income in response to the said notice on 26.08.2022 and declared loss of Rs. 2,02,50,073/-.*

*2. The appellant in response to Notice U/s 142(1) issued on 04.01.2023 submitted all the necessary evidences of the credits to its bank accounts, which consisted of realisation from debtors, refund of EMD, Matured Proceeds of Fixed Deposits, Refund of Telephone Deposits.*

*3. Requesting my lords attention to Page no 3 of the Assessment Order, where appellant subrnitted that*

*4. Requesting my lords attention to Page no 3 para 3.5 after 8th line "Further on Persual*

*5. My lords, with your permission, I would like to take you through the evidences submitted before the Ld. AO.*

*a. Requesting the attention of my lord to Page no 42 of the Paper book. Sl No 12-College of Eng, requesting attention to pg no 56 & 57 containing the invoices of the said parties, requesting attention to pg no 128 & 129 containing the ledger of the same party, confirming the transactions through sales entry and its realisation.*

b. Requesting the attention of my lord to Pg No 43 again SI No 16-District Land Record Survey-Balasure, req attn to page no 58 to 63 consisting of the invoices raised and page no 137-DLRS Balasure, containing the ledger of the party, confirming the transactions through sales entry and its realisation.

c. Similarly Rayagada SI No 27 pg 43, pg 103 to 112 consisting of the invoices raised, Pg 139 to 140 containing the ledger of the party, confirming the transactions through sales entry and its realisation.

6. Requesting my lords attention to Pg 3 of Order last line. It is concluded

7. In the assessment order passed u/s 147 rws 144 of the previous AY, i.e. 2013-14 & 147 rws 1448 for AY 2016-17 (which is under appeal in ITA No 565 fixed for hearing today) on similar issue, the Ld AO, on perusal of the similar documents submitted before him had accepted the credits to be realisation from Sales and Debtors. Requesting your kind attention my lord to Page no 1,2,3,4 of the Paper book for Assessment Order for AY 2013-14.

8. Assessee had filed an application for stay of demand against the impugned AY. Requesting attention of my lords to Pg no 12, 13 & 14 of paperbook. In Para 6.1 of the stay order, the party wise major receipts for AY 2013-14 & 2014-15 is given and after considering the same, the Ld. PCIT has granted full stay of the demand.

9. Requesting my lord's attention to page no 22. An overall reconciliation of receipts is given hereunder:

Sales for FY 12-13	20,08,40,580
Receivables Outstanding in FY 2012-13 (Pg 21)	11,57,84,947
Add : Sales for FY 2013-14	15,06,23,853
Less: Receivables outstanding in FYY 13-14	5,95,94,579
Collection from Debtors	20,68,14,221/-

10. Other receipts such as maturity from FDs, EMD Refund, Backend Received can be traced from bank Statements which is given in Pg no 209 of Paperbook. (The breakup of the same is given in Pg no 13 of Paperbook). Also requesting the kind attention to Pg no 32 of Paperbook, where the comparison of FDs and EMD can be made to substantiate the transactions during the year.

3. It was the submission that the assessee had recovered nearly 19.27 crores. It was the submission that the AO after considering the response took the stand that the assessee has not proved that recoveries are from

the debtors and consequently made an addition u/s.68 of the Act of Rs.19,67,82,241/-. Ld. AR drew our attention to page 50 to 52 which are details of receipt from debtors as on 31.03.2014 and also drew our attention to pages 58 to 137 of the paper book which are the copies of retail invoices. Ld. AR also drew our attention to the balance sheet of the assessee for the assessment years 2012-2013 and 2013-2014 to submit that recoveries being included in the balance sheet and the debtors are reduced on account of recoveries. It was the submission that these details had been produced before the Id. CIT(A). Even though the AO mentioned the details have not be produced. It was the prayer that the addition may be deleted.

4. In reply, Id. CIT-DR submitted that there is no evidence of the assessee having produced these evidences before the AO.

5. In response the Id. AR placed before us copies of the acknowledgement of having uploaded all the evidence before the AO.

6. It was the further submission by the Id. CIT-DR that he has no objection if the issue is restored to the file of AO for verification in regard to the invoices and the details of receipts from the debtors as shown in pages 50 to 53 of the paper book.

7. Ld. AR submitted that he has no objection to provide again these details before the AO but online submission would not make any difference because all the details have already been provided before the AO.

8. On this point, it was put to the Id.CIT-DR as to whether he is acceptable to physical verification by the jurisdictional AO. To this, Id. CIT-DR submitted that he has no objection if the jurisdictional AO would examine this issue.

9. Considering the submissions of both the sides and considering the fact that these details have been filed by the assessee online but the Id. CIT-DR has requested that verification to be done again, therefore, in the interest of justice the issues in this appeal are restored to the file of jurisdictional AO who shall do the physical verification of all the details that are produced by the assessee. The AO is also at liberty to issue notice u/s.133(6) of the Act to the concerned debtors from whom the recoveries are being done, insofar as the debtors are substantially Government organizations. With these directions, the issues in this appeal are restored to the file of jurisdictional AO for verification and readjudication afresh after granting the assessee adequate opportunity of being heard. Accordingly, appeal of the assessee in ITA No.538/CTK/2025 is partly allowed for statistical purposes.

**ITA No.541/CTK/2025 (AY : 2014-2015)**

10. This appeal has been filed by the assessee against the penalty levied by the AO u/s.271(1)(c) of the Act and confirmed by the Id. CIT(A) for A.Y.2014-2015.

11. As the quantum appeal in ITA No.538/CTK/2025 and the issues therein have been restored to the file of jurisdictional AO for physical verification, the penalty levied u/s.271(1)(c) of the Act would not more

survive. Consequently, the penalty as levied by the AO and as confirmed by the Id. CIT(A) stands deleted. However, a liberty is granted to the jurisdictional AO to reinitiate the proceedings and addition be made if it is found that there is concealment of income. With this direction, the appeal of the assessee in ITA No.541/CTK/2025 stands allowed.

**ITA No.565/CTK/2025 (AY : 2016-2017)**

12. In regard to this appeal, Id. AR submitted that this is reopening assessment and the notice u/s.148 of the Act had been issued on the assessee for verification of the deposit in the bank account of the assessee. It as the submission that no addition on this account has been made by the AO in the assessment order but the books of accounts of the assessee have been rejected and the income of the assessee has been estimated. It was the submission that as the issue for which the reopening was done has not been culminated in any addition, the assessment order is liable to be quashed and the reopening notice is also liable to be quashed.

13. It was submitted by the Id. Sr. DR that the assessee has not given all the details has called for by the AO. This has resulted in the rejection of the books. It was the submission that he has no objection if the issues in this appeal are restored to the file of the jurisdictional AO for verification and passing appropriate assessment order. it was the submission that the assessee should be directed to cooperate in the set aside proceedings.

14. We have considered the rival submissions. As it is noticed that for the assessment year 2014-15, the issues have already been restored to

the file of the jurisdictional AO for verification. In the interest of justice, the issues in this appeal for the assessment year 2016-2017 are also restored to the file of the jurisdictional AO for verification and examination of the accounts. In these circumstances, the assessment order passed as also the order of the Id. CIT(A) stands set aside and the assessment is directed to be done *de novo* after considering all the evidences that are to be produced by the assessee and as required by the AO in the set aside proceedings. Accordingly, appeal of the assessee in ITA No.565/CTK/2025 is partly allowed for statistical purposes.

15. In the result, ITA Nos.538/CTK/2025 & ITA No.565/CTK/2025 are partly allowed for statistical purposes and ITA No.541/CTK/2025 is allowed.

Order dictated and pronounced in the open court on 03/12/2025.

**Sd/-**

(राजेश कुमार)

**(RAJESH KUMAR)**

लेखा सदस्य/ **ACCOUNTANT MEMBER**

**Sd/-**

(जार्ज माथन)

**(GEORGE MATHAN)**

न्यायिक सदस्य / **JUDICIAL MEMBER**

दिनांक Dated 03/12/2025

*Prakash Kumar Mishra, Sr.P.S.*

आदेश की प्रतिलिपि अद्येषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant-
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

**(Assistant Registrar)**

आयकर अपीलीय अधिकरण,

कटक/ITAT, Cuttack