

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

**BEFORE SHRI PRASHANT MAHARISHI, VICE – PRESIDENT
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

| |
|----------------------------------|
| ITA No. 209/Bang/2025 |
| Assessment Year : 2017-18 |

| | | |
|--|------------|---|
| Mr. Periaswamy Sathish, 543, 14 th A Main, Manjunathanagar, Bangalore – 560 010. PAN: BNZPS7600D | Vs. | The Income Tax Officer, Ward – 2(2)(2), Bangalore. |
| APPELLANT | | RESPONDENT |

| | | |
|-------------|---|------------------------------|
| Assessee by | : | Ms. Sreeraksha, CA |
| Revenue by | : | Shri Subramanian .S, JCIT-DR |

| | | |
|-----------------------|---|------------|
| Date of Hearing | : | 18-11-2025 |
| Date of Pronouncement | : | 11-02-2026 |

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

This is an appeal filed by the assessee challenging the order of the NFAC, Delhi dated 29/02/2024 in respect of the A.Y. 2017-18.

2. The brief facts of the case are that the assessee being an individual had not filed his return of income. The AO based on the information that the assessee had deposited cash of Rs. 20,18,000/- in his bank account and also made a payment of Rs. 2,13,86,750/- for transfer of an immovable property, had issued a notice to explain the source for the above said cash deposits and other financial transactions. The assessee had not responded to the notices and the case was reopened for scrutiny assessment u/s. 147

of the Act by issuing notice u/s. 148 of the Act. Even for the notice, the assessee had not filed his return of income. Thereafter notice u/s. 142(1) was issued but no reply has been filed by the assessee. Therefore the AO had treated the cash deposits as unexplained money u/s. 69A of the Act. Similarly, the payment made for the transfer of immovable property was also treated as unexplained cash credit u/s. 68 of the Act. An another addition about the scrap sales were also made. As against the said order, the assessee filed an appeal before the Ld.CIT(A). The assessee had not appeared before the Ld.CIT(A) and also not filed any written submissions to the three notices issued by him and therefore the Ld.CIT(A) had rejected the ground raised by the assessee as not substantiated with any evidence. The Ld.CIT(A) had also not accepted the ground that notice u/s. 148 as well as u/s. 143(2) were not served to the assessee since the assessee had not responded before the Ld.CIT(A). Insofar as the purchase of immovable property, the Ld.CIT(A) discussed the issue on merits and since no supportive documents were furnished to show the source for the said purchases, he had confirmed the addition made u/s. 68 of the Act. Similarly, the addition u/s. 69A was also confirmed.

3. As against the said order, the assessee is in appeal before this Tribunal with a delay of 280 days.

4. The assessee filed an application to condone the said delay and in the said affidavit, the assessee had expressed his inability to follow up the e-proceedings and therefore he was not aware about the various proceedings and the order passed by the Ld.CIT(A). The assessee further submitted that only when he received the penalty notices, he came to know about the appeal order and thereafter approached the present counsel and the appeal was made ready and filed on 04/02/2025 with a delay of 280 days. The assessee submitted that the delay is neither wilful nor wanten and prayed to condone the delay in the interest of justice.

5. We have considered the reasons stated in the said delay condonation application and perused the reasons stated in the said affidavit and also by

considering the order of the AO is also an ex-parte order made u/s. 144 of the Act, we are of the view that the delay may be condoned and the appeal may be decided on merits.

6. At the time of hearing the Ld.AR prayed that the assessee being a person not conversant with the e-proceedings had failed to respond to the various notices issued by the AO as well as by the Ld.CIT(A) and prayed that another opportunity may be granted to furnish the documents to show that the assessee had enough source for making the said deposits and payments.

7. The Ld.DR relied on the orders of the lower authorities and prayed to dismiss the appeal.

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

9. We have gone through the assessment order in which the additions were made u/s. 69A as well as u/s. 68 of the Act mainly for the reason that the assessee had not responded to the notices issued by the AO. Before us, the assessee submitted the reasons for the non-appearance before the AO as well as before the Ld.CIT(A). Considering the fact that the assessment order was made u/s. 144 of the Act as well as the appeal order is also an ex-parte order on merits, we are inclined to grant one opportunity to the assessee to place all the materials before the AO in respect of the additions made u/s. 69A as well as u/s. 68 of the Act.

10. We, therefore set aside the orders of the lower authorities and remit this issue to the file of the AO for fresh consideration after considering the various documents to be furnished by the assessee in support of its claim that the additions are not required.

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

Order pronounced in the open court on 11th February, 2026.

Sd/-
(PRASHANT MAHARISHI)
Vice – President

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 11th February, 2026.
/MS /

Copy to:

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

By order

Assistant Registrar,
ITAT, Bangalore