

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

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

<b>ITA No. 1319/Bang/2025</b>
<b>Assessment Year : 2017-18</b>

Shri Velleyyreddy Thiruvencatam, #44, 8 <sup>th</sup> Cross, 3 <sup>rd</sup> Main, Ganesha Block, Mahalakshmi Layout, Bangalore North, Bangalore – 560 096. <b>PAN: ABEPT2177E</b>	<b>Vs.</b>	The Income Tax Officer, Ward – 6(2)(1), Bangalore.
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by	:	Shri Ravishankar, Advocate
Revenue by	:	Shri Subramanian .S, JCIT-DR

Date of Hearing	:	18-11-2025
Date of Pronouncement	:	12-02-2026

**ORDER**

**PER SOUNDARARAJAN K., JUDICIAL MEMBER**

This is an appeal filed by the assessee challenging the order of the NFAC, Delhi dated 14/12/2023 in respect of the A.Y. 2017-18.

**2.** The brief facts of the case are that the assessee is an individual and the proprietor of M/s. Om Shakthi Traders dealing in wholesale trading of onions in the APMC Yard at Yeshwanthpur, Bangalore. The assessee is receiving commission from the trading of onions. The assessee filed his return of income on 16/12/2017. Thereafter the case was selected for scrutiny under CASS for limited scrutiny for verifying the cash deposits

made during the year. The AO issued several notices but the assessee had not responded to the said notices and later on explained that he has not received the said notices. The AO, therefore, concluded that the cash deposits made into his bank accounts are nothing but unexplained money u/s. 69A of the Act. 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 therefore the Ld.CIT(A) had decided the appeal based on the materials available before him and concluded that the addition made by the AO is in order since the assessee had not properly explained the cash deposits made into his bank accounts.

**3.** As against the said ex-parte order, the present appeal has been filed by the assessee.

**4.** The appeal has been filed by the assessee with a delay of 462 days. The assessee also filed an application for condonation of the said delay and submitted that the hearing notices were sent to a different email ID and not to the email ID mentioned in form 35 and therefore he has no knowledge about the hearing of the appeal. The assessee also explained that the appeal before the Ld.CIT(A) was filed through a tax consultant Mr. K.N. Madhusudhan and except the enablement notice, the other notices of the Ld.CIT(A) was sent to a wrong email ID and therefore the assessee had no knowledge about the various hearing dates. The assessee further submitted that even the said tax consultant Mr. K.N. Madhusudhan has fell sick and also expired on 18/09/2025 and therefore he has not followed up the appeal proceedings before the Ld.CIT(A). The assessee further submitted that he came to know about the dismissal of the appeal only when the AO had issued a recovery notice on 03/02/2025. Thereafter he contacted the tax consultant but the tax consultant could not give any proper replies because of his health issues. Therefore the assessee downloaded the Ld.CIT(A) order from the portal and through the present counsel, the appeal has been filed with a delay of 462 days. The assessee further submitted that the said delay is neither wilful nor wanton but due to the above said bonafide

reasons as stated above. The Ld.DR objected to condone the said delay since the delay is not a minimal one.

**5.** We have heard the submissions made by the assessee as well as the reasons stated in the delay condonation affidavit and also the medical records and the death certificate of the said tax consultant and we are of the view that the assessee had sufficient cause for not filing the appeal in time before this Tribunal. We, therefore condone the said delay in filing the appeal before this Tribunal and proceeded to decide the appeal on merits.

**6.** At the time of hearing, the Ld.AR submitted a paper book enclosing the several hearing notices issued by the Ld.CIT(A) and submitted that the said hearing notices was sent to a different email ID and therefore the assessee has not responded to the notices issued by the Ld.CIT(A). The Ld.AR further submitted that the assessee is a wholesale trader in onions and declared his income in the subsequent years which was also assessed accordingly and therefore submitted that the entire cash deposits made could not be treated as income of the assessee and only the commission should be subjected to tax under the provisions of the Act. The Ld.AR also filed a comparative statement of the net profits declared as per form 3CD in respect of the A.Ys. 2021-22, 2022-23 and 2025-26 and prayed that the appeal may be allowed.

**7.** The Ld.DR submitted that the assessee had neither appeared and produced the records before the AO as well as before the Ld.CIT(A) and therefore the assessee need not be shown lenience 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 also perused the assessment order and the statement of facts filed by the assessee. From the said facts, we came to know that the assessee is the proprietor of M/s. Om Shakthi Traders who is dealing in the

onions and received commission through the sale of the onions. In the subsequent years, a similar type of business income was declared and audit report in form 3CD were also filed to show that the assessee is earning commission income out of the sale of onions. But in the current year, the assessee had not responded to the various notices issued by the AO as well as by the Ld.CIT(A) and therefore the authorities had no other option except to confirm the deposits made into his bank accounts as unexplained money u/s. 69A of the Act. We have also considered the fact that the assessee's tax consultant was also severely affected by stroke and he finally expired on 18/09/2025. We have also considered the fact that the notices were issued by the Ld.CIT(A) to an email ID [puttaswamyandcompany@gmail.com](mailto:puttaswamyandcompany@gmail.com) whereas the assessee has given the email ID as [puttaswamyandcompany1@gmail.com](mailto:puttaswamyandcompany1@gmail.com). Therefore, as contended by the assessee, the hearing notices were not sent to the correct email ID and therefore the assessee has every reason for not appearing before the Ld.CIT(A). We have also considered the profile of the assessee in the portal of the department in which also different email IDs were mentioned but the Ld.CIT(A) had issued the notices to a wrong email ID and therefore we cannot brush aside the contention of the assessee that no proper opportunity has been granted.

**10.** Considering the fact that the assessment order was also made u/s. 144 of the Act and the order of the Ld.CIT(A) was also made without hearing the assessee, we deem it fit to grant one more opportunity to the assessee to appear before the AO along with the documents to show that the assessee is doing the wholesale business of onions and received only the commission out of it. We, therefore, set aside the orders of the lower authorities and remit this issue to the file of the AO for considering the issue afresh after granting a reasonable opportunity of being heard to the assessee. We are granting this concession to the assessee on condition that the assessee should pay a sum of Rs. 1,000/- towards the cost in the Prime Minister's National Relief Fund and produce the receipt for such payment before the AO and thereafter the AO will take up the matter and adjudicate the issue on merits. With the above directions, we partly allow the appeal.

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

Order pronounced in the open court on 12<sup>th</sup> February, 2026.

Sd/-  
(PRASHANT MAHARISHI)  
Vice – President

Sd/-  
(SOUNDARARAJAN K.)  
Judicial Member

Bangalore,  
Dated, the 12<sup>th</sup> February, 2026.  
/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