

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AMRITSAR BENCH, AMRITSAR.**

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER  
AND  
SH. UDAYAN DASGUPTA, JUDICIAL MEMBER  
(Physical Hearing)**

**I.T.A. No. 164/Asr/2025  
Assessment Year: 2017-18**

Inderjeet Singh, Main Bazar, Ward No.4 R.S. Pura, Distt. Jammu & Kashmir. [PAN:-APRPS2037K] <b>(Appellant)</b>	Vs.	ITO, Ward 1(1), Jammu and Kashmir.  <b>(Respondent)</b>
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<b>Appellant by</b>	Sh. P. N. Arora, Adv
<b>Respondent by</b>	Sh. Charan Dass, Sr. DR

<b>Date of Hearing</b>	22.01.2026
<b>Date of Pronouncement</b>	20.02.2026

**ORDER**

**Per: Udayan Dasgupta, J.M.:**

This appeal is filed by the assessee against the order of Id. CIT (A), NFAC, Delhi, passed u/s 250 of the Act, 1961 vide order dated 21.09.2023 which has emanated from the order of AO, Income Tax Officer, Ward-1(1), Jammu, passed u/s 144 of the Act, vide order dated 24.12.2019.

2. Condonation of delay: It is pointed out by the registry that this appeal is belatedly filed by 459 (*four hundred fifty nine days*). The assessee has filed an

application for condonation of delay along with an affidavit and a medical certificate that he is a *type-2 diabetes patient* , and stated that he is engaged in the business of food products and the delay has occurred due to *non-communication* and non - compliance , on the part of the earlier counsel who has failed to attend the hearing and represent the matter before the *Ld. first appellate authority* and the said counsel has never informed the assessee, regarding the disposal of the appeal *on 21st September, 2023* by the Ld. CIT(A) and no mail or intimation or copy of the order has been received by the assessee at any time , because all communication must have been addressed to the counsel.

2.1 It is further stated that after receiving the notice of penalty on *27.12.2024* the assessee came to learn that the appeal order has been dismissed without hearing and subsequently he appointed a new counsel who has guided him to file this appeal before the tribunal *belated by four hundred and fifty-nine days*.

2.2 As such, he prayed for an opportunity of hearing and requested for condonation of delay and for admission of the appeal to be heard on merits.

The ld. DR objected to the delay, pointing to the fact that long time has elapsed and no sufficient cause is shown to exist for condoning the same.

Considering the affidavit filed and after hearing the submissions of the ld. AR, in course of hearing, we are **not** very much convinced regarding the reasons stated for the delay of 459 (*four hundred fifty-nine days*) days and we are of the opinion that

negligence on the part of the assessee cannot be ruled out. However, in the interest of justice, we condone the delay of 459 (*four hundred fifty-nine days*) and admit the appeal to be heard on merits.

3. Simultaneously, we also consider it to be fit case where cost should be imposed, for negligence on the part of the assessee, and as such, we impose a token cost of Rs.10,000/- (*Rs. Ten Thousand only*) to be paid to the credit of “*Prime Minister National Relief Fund*”, within fifteen days from the date of communication of this order (*evidence to be filed before JAO*).

4. The assessee has taken 7 (*seven grounds*) of appeal in form 36 but the main grievance of the assessee is that no proper opportunity of hearing has been allowed by the ld. first appellate authority, even though, it is stated in *para 5.3* of the appellate order that notices have been issued on three separate occasions and in absence of any representation from the assessee, the appellate order has been passed dismissing the appeal *ex parte*.

5. The ld. AR further submitted that even in case of *ex-parte* orders, it was incumbent on the part of the ld. first appellate authority to have decided the case on merits on the basis of ground and material contained in assessment records such as audited profit and loss account, balance sheet and tax audit report in Form 3 CB and 3CD, duly uploaded in the portal but same has never been considered while disposing of the appeal.

6. The ld. DR relied on the order of the ld. CIT(A) and has stated that no bank statement or cash book has been submitted neither before the AO nor before the ld. CIT(A) and as such, the cash deposit in bank account, during the demonetisation period in case of a business concern could not have been satisfactorily explained and he prays for sustaining the appellate order.

7. We heard the rival submission and considered the material on record and we find that this is a case where cash of *Rs.53.94 lakhs* has been deposited in *J & K bank with A/c No. xxxxx0231* during demonetisation period, and even though return of income has been filed there has not been any representation or compliance to various notices issued by the AO during the assessment proceedings which has resulted in the order being passed ex parte.

7.1 We also find that the order of the ld. CIT(A) has also been passed ex parte and we also note that notices has been issued in *ITBA portal* and there is no mention of any notice being issued in the *e-mail id* mentioned in Form 35.

7.2 Considering all aspect of the matter, we find that cash deposited in bank a/c during demonetisation period needs to be explained in case of business concern by producing regular books of accounts including the cash book , which needs to be verified by the AO with respect to documentary evidences produced. As such, in the interest of justice , we set aside the matter back to the files of the AO for *denovo* afresh assessment, and we direct the assessee to submit the all-documentary

evidences and produce books of account including cash book to explain the source of cash deposit in bank a/c during the demonetisation period and to fully cooperate in fresh assessment proceedings.

We have not expressed any opinion on merits and all issues are left open.

8. In the result, the appeal of the assessee is allowed for statistical purposes.

**Order pronounced on 20.02.2026 under Rule 34(4) of the Income Tax Appellate Tribunal Rules 1963.**

Sd/-

**(MANOJ KUMAR AGGARWAL)**  
**Accountant Member**

Sd/-

**(UDAYAN DASGUPTA)**  
**Judicial Member**

AKV

Copy of the order forwarded to:

- (1)The Appellant
- (2) The Respondent
- (3) The CIT
- (4)The DR, I.T.A.T.

True Copy  
By order