

IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI SONJOY SARMA, JUDICIAL MEMBER AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

ITA No. 393/Ran/2024
(Assessment Year-2015-16)
(Virtual Hearing)

Shiv Prasad Ram, Near Petrol Pump, Sector-9/A, Basanti More, Sector-IX, S.O. Alkusa, Bokaro-827009 (Jharkhand) PAN No. AQEPR 2909 K	Vs.	I.T.O., Ward 3(1), Bokaro.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	None
Department represented by	Shri Kailash Gautam, Sr.DR
Date of hearing	20/01/2026
Date of pronouncement	16/02/2026

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), [in short, the Id. CIT(A)] dated 09/08/2024 for the Assessment Year (AY) 2015-16. The assessee has raised following grounds of appeal:

"a) Addition of Retirement Benefits to Total Income

The learned Assessing Officer (AO) erred in law and on facts in making an addition of ₹27,79,943 to the total income by including retirement benefits received from SAIL. These retirement benefits, by their nature, are exempt under Section 10(12), 10(10) and 10(10AA) of the Income-tax Act, 1961, and should not have been considered part of the taxable income. (A reconciliation statement comparing the bank statement and FORM 16 with the salary received during the period 01/04/2014 to 30/06/2014, along with PF received, gratuity received, and leave encashment received in that year, is attached as Annexure 1.)

b) Source of Fixed Deposits

The AO failed to appreciate that the fixed deposits amounting to 55,91,000 (created in Bank of Baroda) were sourced from retirement benefits received by the appellant from SAIL. The AO did not consider documentary evidence such as

the superannuation order and bank statements provided during the appellate proceedings. The fixed deposits were not unexplained investments but directly linked to retirement funds, which were tax-free in nature.

c) *Non-Consideration of Exemption Claim*

The appellant had failed to claim the retirement benefits as exempt during the assessment proceedings due to lack of assistance from the employer and inadvertent non-filing of returns. This should be considered a reasonable omission, and the appellant seeks the ITAT's indulgence in allowing the rightful exemption under Section 10(12), 10(10) and 10(10AA).

d) *Failure to Substantiate Notices*

The learned AO did not provide adequate opportunity for the appellant to explain the retirement benefits due to insufficient communication. Multiple notices under Sections 142(1) and 133(6) were not complied with because of disconnection from the employer's accounts division post-retirement. This communication gap should not be the sole reason for adverse findings against the appellant.

e) *Unexplained Income Claim under Section 69*

The addition made under Section 69 as unexplained income is unjustified as the entire retirement benefit was explained through valid documentary evidence. The linkage between the funds received from SAIL and the fixed deposits has been demonstrated with bank records, showing no unexplained investment.

f) *Disallowance under section 80C*

The CIT(A) also erred in disallowing the deduction under Chapter VI-A (Section 80C). The Appellant claimed a deduction of ₹1,50,000, which is allowable under the law. However, only ₹51,547 was allowed based on the employer's Form 16. Fixed deposits (FDs) made for a tenure of 5 years or more with a scheduled bank were eligible for deduction under Section 80C in AY 2015-16. These are referred to as Tax-Saving Fixed Deposits. The full deduction claimed under Section 80C should be permitted."

2. Facts of the case, in brief, are that in the instant case, the assessee has not filed return of income for the A.Y. 2015-16. As per the information available under the module of "Non-filing of Return (NMS) from the insight portal. The assessee has made time deposit worth ₹ 39,91,000/- in Bank of Baroda, Ranchi and further deposited ₹ 16,00,000/- in Bank of Baroda, Dhanbad. Further the assessee has also received interest on securities under Section 194A amounting to ₹ 95,271/- from Bank of Baroda and also received salary under Section 192 of the Income Tax Act, 1961 (in short, the Act) amounting to ₹ 6,09,260/- from

the SAIL, Bokaro Steel Plant during the period under consideration. Thus, the assessee, being the non-filer for the assessment year under consideration, reassessment proceedings was initiated against him and notice under Section 148 of the Act was issued on 05/04/2022 after obtaining the approval of the specified authority. But even then the assessee did not file the return of income. Again notice under Section 142(1) dated 12/10/2023 was sent through speed post to the assessee alongwith questionnaire asking for relevant documents and details to contest the information available on record on the basis of which the case was reopened but again the assessee made no compliance. Thereafter several notices were sent to the assessee but the assessee did not comply. The Assessing Officer, therefore, framed the assessment order on a total income of ₹ 62,95,535/- and various additions were made as per the impugned assessment order.

3. Aggrieved by the order of Assessing Officer, the assessee filed appeal before the Id. CIT(A). The Id. CIT(A) vide the impugned order, partly allowed the appeal of the assessee and computed total income of ₹ 35,11,452/- on the basis of submissions made by the assessee during the course of appellate proceedings.
4. Aggrieved by the order of Id. CIT(A), this appeal has been preferred before this Tribunal.
5. During the appellate proceedings before us, none has appeared on behalf of the assessee but the written submission was filed. In the written submission, the assessee submitted that the assessee has received retirement benefits from SAIL where he was working before his retirement. Similarly, fixed deposits

made in the said bank were also received from his employer the SAIL company. He also submitted a reconciliation statement, comparing bank statement and Form-16 in respect of salary received from the company during the assessment year under consideration alongwith details of PF, gratuity and leave encashment received from the company. The assessee admitted that it had failed to claim the retirement benefits as exempt during the assessment proceedings due to non-cooperation from the employer and that was the reason why he could not file his returns of income for the impugned assessment year. The assessee, therefore, submitted that one more opportunity may kindly be given to the assessee so that he can explain the source of deposits and other receipts received from the company where most of his receipts are exempt as per the provisions of the Act.

6. On the other hand, the Id. Sr.DR relied on the orders of the lower authorities.
7. We have considered the submissions and it is found that it is a case of salaried employee who retired from SAIL but due to non-availability of the details and the documents obtained from the SAIL, the assessee could not file the return of income and also could not explain the source of all the deposits and investments made by him. We, therefore, think it proper to restore the issue back to the file of Assessing Officer to frame the assessment order afresh after considering the details submitted by the assessee which was received from his employer i.e. SAIL, Bokaro. The assessee is also directed to make available all the details which are required for the purpose of making assessment before the Assessing Officer. The Assessing Officer is also directed to obtain all the relevant documents, if required, from the SAIL company in order to arrive at a

correct income of the assessee. With this direction, the appeal is allowed for statistical purposes.

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

Order Pronounced in open court on 16th February, 2026

Sd/-
(SONJOY SARMA)
JUDICIAL MEMBER

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

Ranchi, Dated:16/02/2026

**Ranjan*

Copy to:

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

By order

Sr. Private Secretary, ITAT, Ranchi