

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

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA Nos. 2781 to 2785/Bang/2025
Assessment Years : 2016-17 to 2018-19

Shri Satish Heggade, NimmaneAdike Mandi, APMC Yard, Agumbe Road, Thirthahalli – 577 432. Shivamogga District, Karnataka. PAN: ABCPH2671P	Vs.	The Income Tax Officer, Ward – 1, TPS, Shivamogga.
APPELLANT		RESPONDENT

Assessee by	:	Shri Madhusudhan U A, Advocate
Revenue by	:	Shri Subramanian .S, JCIT-DR

Date of Hearing	:	15-04-2026
Date of Pronouncement	:	16-04-2026

ORDER

PER BENCH

These are the appeals filed by the assessee challenging the quantum as well as the penalty orders of the NFAC, Delhi in respect of the A.Ys. 2016-17 to 2018-19 as follows:

Appeal No.	Assessment Year	NFAC order dated	Remarks
ITA No. 2781/Bang/2025	2016-17	15/09/2025	As against assessment order passed u/s. 147
ITA No. 2782/Bang/2025	2016-17	22/09/2025	Against the penalty order levied u/s. 271(1)(c) of the Act
ITA No. 2783/Bang/2025	2017-18	02/09/2025	As against assessment order passed u/s. 147
ITA No. 2784/Bang/2025	2017-18	22/09/2025	As against the penalty order levied u/s. 271AAC(1)
ITA No. 2785/Bang/2025	2018-19	15/09/2025	As against assessment order passed u/s. 147

2. The common facts involved in all these appeals are that the assessee is an individual and not filed his return of income. Based on the information that the assessee had carried out his financial transactions by depositing cash into his bank accounts, the case was taken up for reopening u/s. 148 of the Act. Before issuing notice u/s. 148, the AO had issued a notice u/s. 148A(b) and subsequently, an order u/s. 148A(d) was passed. Thereafter notice u/s. 148 was issued and the AO based on the bank statements submitted by the banks, had issued a show cause notice. Before the said show cause notice, the AO had issued notice u/s. 142(1) and also a show cause notice for making the assessment u/s. 144. The AO had also issued 142(1) notice through speed post which was also duly received by the assessee. In spite of the receipt of the various notices, the assessee had not filed any response and therefore the AO had treated the cash deposits as his income and estimated the addition at 15% of the cash deposits as income and also made the interest income as income from other sources. As against the said orderds, the assessee filed the appeals before the Ld.CIT(A) with delays as follows:

Appeal No.	Delay
ITA No. 2781/Bang/2025	956 days
ITA No. 2783/Bang/2025	More than 31 months
ITA No. 2785/Bang/2025	255 days

3. Similarly, the AO had also imposed penalty u/s. 271(1)(c) of the Act for the A.Y. 2016-17 and also penalty u/s. 271AAC(1) for the A.Y. 2017-18. The assessee filed appeals against the penalty orders also with the following delays.

Appeal No.	Delay
ITA No. 2782/Bang/2025	More than 26 months
ITA No. 2784/Bang/2025	More than 2 years

4. In support of the said delays, the assessee also filed applications to condone the said delays and in the said condonation application, the assessee had stated the medical grounds as the reason for not filing the appeals in time. The Ld.CIT(A) had not accepted the said delays since there is no sufficient reasons for filing the said appeals with such an abnormal delays and dismissed all the appeals.

5. As against the said order, the present appeals have been filed by the assessee before this Tribunal.

6. At the time of hearing, the Ld.AR submitted that the assessee has been diagnosed with Basal Ganglia Hematoma disease which is a condition affecting the brain and functions associated with motor control, speech and cognition and therefore the assessee was hospitalised on 17/11/2020 and later on he was discharged from the hospital on 20/11/2020 and he was under medical treatment till date. The Ld.AR further submitted that in view of the said reasons, the assessee was not active in his day-to-day business

activities and therefore the appeals could not be filed in time. The Ld.AR also submitted that the assessee was not able to appear before the AO since the ITP with whom the assessee had entrusted the assessments had not responded to the notices received by him and therefore the AO had made best judgment assessment u/s. 144 of the Act. The Ld.AR further submitted that the assessee is having a good case on merits and also there are several legal grounds available to attack the notice issued u/s. 148 of the Act and therefore prayed to take a lenient view. The Ld.AR also filed a common paper book enclosing the medical reports of the assessee which was filed before the Ld.CIT(A) and also the written submissions filed before the Ld.CIT(A) and prayed to condone the said delays.

7. The Ld.DR submitted that the delay is abnormal and therefore prayed to dismiss all the appeals.

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

9. Admittedly, the assessee had filed the appeals with the delays as mentioned above. The assessee had given the reasons in the written submissions filed before the Ld.CIT(A). Further, the assessee had also produced the medical certificate about his disease and also submitted that still he is under treatment. The assessee had also pointed out the mistake committed by the ITP in not following up the matter when the AO had issued the various notices and therefore a best judgment assessment was made by the AO.

10. We have also considered the submissions made by the assessee on merits. As seen from the assessment order, the AO had made the additions based on the cash deposits made into the bank accounts of the assessee. In the written submissions, the assessee had raised several grounds on merits but unfortunately, the said grounds were not adjudicated by the Ld.CIT(A) in view of the delay in filing the appeals.

11. Considering the facts that the assessee had some medical issues, we deem it fit to remit this issue to the file of the AO for denovo consideration. It is open to the assessee to submit the required documents and establish his case that the cash deposits are from the known sources and requires no addition. We, therefore set aside the orders of the lower authorities and remit this issue to the file of AO for denovo consideration. Since we are remitting the quantum appeals to the AO, the penalty appeals are also remitted to the AO to decide the penalties along with the quantum appeals.

12. In the result, all the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the open court on 16th April, 2026.

Sd/-
(WASEEM AHMED)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 16th April, 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