

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई  
IN THE INCOME TAX APPELLATE TRIBUNAL  
' C' BENCH : CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं  
श्री अब्राहम पी. जॉर्ज, लेखा सदस्य के समक्ष।  
[BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND  
SHRI ABRAHAM P. GEORGE, ACCOUNTANT MEMBER]

आयकर अपील सं./I.T.A. No.1852, 1853 & 1854/Mds/2016  
**Assessment years : 2011-12, 2012-13 & 2013-14**

Anand Palanisami,  
No.20, Doctors Colony,  
Dr. Radhakrishna Road,  
Gandhipuram,  
Coimbatore 641 012.

**Vs.** The Deputy Commissioner of  
Income Tax,  
Central Circle 1,  
Coimbatore.

[**PAN AFJPA 4713N**]

**I.T.A. Nos.1855, 1856, 1857, 1858, 1859 & 1860/ Mds/2016**  
**Assessment years : 2007- 08, 2008-09, 2010-11, 2011-12,**  
**2012-13 & 2013-14.**

A. Vijayalakshmi,  
No.20, Doctors Colony,  
Dr. Radhakrishna Road,  
Gandhipuram,  
Coimbatore 641 012.

**Vs.** The Deputy Commissioner of  
Income Tax,  
Central Circle 1,  
Coimbatore

[**PAN AKFPV0020L**]

**I.T.A. Nos.1861, 1862, 1863, 1864, 1865 & 1866/Mds/2016**  
**Assessment years : 2007- 08, 2008-09, 2010-11, 2011-12,**  
**2012-13 & 2013-14.**

P. Savithri  
(Deceased Rep. by Anand  
Palanisami)  
16N, NGR Street, P.N. Palayam,  
Coimbatore 641 037.

**Vs.** The Deputy Commissioner of  
Income Tax,  
Central Circle 1,  
Coimbatore

[**PAN DGCPS 2107H**]

**I.T.A. Nos.2061, 2062 & 2063/Mds/2016**  
**Assessment years : 2007-08, 2010-11 & 2013-14.**

Kamal Palanisami,  
No.1086, Third Street,  
Cross Cut Road,  
Gandhipuram,  
Coimbatore 641 012.

**Vs.** The Deputy Commissioner of  
Income Tax,  
Central Circle 1,  
Coimbatore

**[PAN AYRPK 4800B]**

**(अपीलार्थी/Appellant)**

**(प्रत्यर्थी/Respondent)**

अपीलार्थी की ओर से/ Appellant by : Shri. B. Ramakrishnan, FCA  
प्रत्यर्थी की ओर से /Respondent by : Shri. Arun C. Bharath, CIT.

सुनवाई की तारीख/Date of Hearing : 10-07-2017  
घोषणा की तारीख /Date of  
Pronouncement : 30-08-2017

**आदेश / O R D E R**

**PER ABRAHAM P. GEORGE, ACCOUNTANT MEMBER**

These are appeals filed by the assesseees directed against orders dated 13.05.2016 of the Id. Commissioner of Income Tax (Appeals)-18, Chennai.

2. Facts culminating in these appeals lie a short compass. Shri. Anand Palanisami is in the business of tourism, call taxi services, finance, importing papers & boards, manufacturing and trading in CNC

Machine Tools. Smt. Vijayalakshmi is his wife, Smt. P. Savithri his mother and Shri. Kamal Palanisami his brother. There was a search u/s. 132 of the Income Tax Act, 1961 (in short "the Act") in the residence and business premises of Shri. Anand Palanisami on 24.02.2013. Shri. Anand Palanisami had interests in the following concerns.

- '1 M/s. APC Papers & Boards (P) Ltd
- 2 M/s. A.P. Tours & Travels India (P) Ltd
- 3 M/s. Tool Tech Mfg (P) Ltd
- 4 M/s. Tool Tech Enterprises (P) Ltd
- 5 M/s. Trip Go Trip Tourism (P) Ltd
- 6 M/s. A.P. Aviation (P)Ltd
- 7 M/s Renny Agro and Engg. (P) Ltd
- 8 M/s. Anand Palanisamy Corp. (P) Ltd
- 9 M/s. A.P. Investments (P) Ltd
- 10 M/s. A.P. Infrastructure (P) Ltd
- 11 M/s. White Adds (proprietary concern of the assessee )
- 12 M/s. Adiruth Capital & Investment".

3. As per Id. Assessing Officer, Shri. Anand Palanisami had during the course of search and in the subsequent proceedings, disclosed following income:-

Sl.No	Description	Asst. year	Amount (in ₹)
A	Unexplained Credits found in "Reserves and Surplus"	2012-13	14,01,72,029
B	Unexplained credits by way of capital increase in Remy Agro Engineering	2013-14	1,07,74,285
C	Unaccounted income (Sales	2012-03	77,44,984

	<i>suppression) offered in the proprietary concern of White Ads</i>		
<i>D</i>	<i>Inflation of expenditure on account of bogus purchases in APC Papers and Boards India Pvt. Ltd</i>	<i>2011-12</i>	<i>2,22,38,881</i>
<i>E</i>	<i>On money paid on account of the purchase of property at 100 feet road, Coimbatore</i>	<i>2011-12</i>	<i>1,10,00,000</i>
<i>F</i>	<i>On money payment for the purchase of Bangalore property.</i>	<i>2011-12</i>	<i>1,68,00,000</i>
<i>G</i>	<i>Unaccounted investments on account of hand loans given to various parties outside the books of accounts in Finance business.</i>	<i>2011-12, 2012-13 &amp; 2013-14</i>	<i>9,28,00,000</i>
	<b><i>Total undisclosed income</i></b>		<b><i>30,15,30,179</i></b>

Ld. Assessing Officer also noted that cash aggregating to ₹ 11,76,103/, gold jewellery weighing 1853 grams and silver jewellery weighing 26.755 kilograms were found at the time of search. As per Ld. Assessing Officer total undisclosed income and investments of Shri. Anand Palanisami for the impugned assessment years were as under:-

<i>Description</i>	<i>Asst. years in relates</i>	<i>Amount (in ₹)</i>
<i>Unexplained Credits found in "Reserves and Surplus"</i>	<i>2012-13</i>	<i>14,01,72,029</i>
<i>Unexplained credits by way of capital increase in Reny Agro Engineering</i>	<i>2013-14</i>	<i>1,07,74,285</i>
<i>Unaccounted income (Sales suppression) offered in the proprietary concern of White Ads</i>	<i>2012-03</i>	<i>77,44,984</i>
<i>Inflation of expenditure on account of bogus purchases in APC Papers and Boards India Pvt. Ltd</i>	<i>2011-12</i>	<i>2,22,38,881</i>
<i>On money paid on account of the purchase of property at 100 feet road, Coimbatore</i>	<i>2011-12</i>	<i>1,10,00,000</i>

<i>On money payment for the purchase of Tatabad property</i>	<i>2011-12</i>	<i>17,50,000</i>
<i>On money payment for the purchase of Bangalore property.</i>	<i>2011-12</i>	<i>1,68,00,000</i>
<i>Unaccounted investment in Silver Jewellery</i>	<i>2013-14</i>	<i>15,51,790</i>
<i>Expenses made by cash in violation of Section 40A(3)</i>	<i>2012-13</i>	<i>10,00,000</i>
<i>Unexplained expenditure made to Maruthamalai Rajakopuram Outside the books of account</i>	<i>2012-13</i>	<i>39,00,000</i>
<i>Unaccounted investments on account of hand loans given to various parties outside the books of accounts in Finance business.</i>	<i>2011-12, 2012-13 &amp; 2013-14</i>	<i>28,06,36,634</i>
<b><i>Total undisclosed income</i></b>		<b><i>49,75,68,603</i></b>

It seems during the course of search certain agreements were also found, indicating certain land transactions of assessee's wife Smt. A. Vijayalakshmi, on which on-money was paid. There were similar agreements found wherein assessee's mother Smt. P. Savithri and brother Shri. Kamal Palanisami were also involved.

4. For all the above assessee's, except Shri. Anand Palanisami Id. Assessing Officer had issued notices u/s. 153C of the Act. However for assessment year 2013-14 notices were issued u/s. 142(1) of the Act. In the case of Shri. Anand Palanisami notices were issued u/s. 153A of the Act, except for assessment year 2013-14. However, the assessee's did not file any returns pursuant to the notices issued u/s. 153A or 153C or 142(1) of the Act. Except for Shri. Anand Palanisami

nobody responded for the notices. Even Shri. Anand Palanisami, after filing a letter pleading for two months time for filing the returns, kept mum. Ld. Assessing Officer did send reminders to all assesseees. In the case of Shri. Anand Palanisami there was reminder sent on 05.08.2014 and also notice issued u/s. 142(1) of the Act on 17.10.2014. Ld. Assessing Officer on 19.11.2014 issued a final notice proposing a best judgment assessment u/s. 144 of the Act, also giving therein the income he proposed to assess for the impugned assessment years. Similar notices were also issued to other assesseees. However, these notices also went unheeded.

**5.** Thereafter assessments were completed u/s. 144 r.w.s.153A/153C of the Act for all assessment years except for assessment year 2013-14. For the latter assessment year, the assessment was completed u/s. 144 r.w.s. 142(x) of the Act.

**6.** Additions made in the case of Shri. Anand Palanisami for various assessment year were as under:-

Assessment year 2011-2012:-

1	On money paid for purchase of property at 100 feet road, Gandhipuram u/s. 69B	1,10,00,000
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2	On money paid for purchase of property at Tatabad property u/s. 69B	17,50,000
3	On money paid for purchase of Bangalore property u/s. 69B	1,68,00,000
4	Inflation of expenditure on account of bogus purchase in APC Papers and Boards India Pvt.Ltd	2,22,38,881
5	Unexplained expenditure for Marthamalai Rajagopuram u/s. 69C	10,00,000
6	Unaccounted investment by way of hand loans given to various parties outside the books of accounts in Finance business u/s. 69	1,65,00,000
7	Interest received on the above loans.	29,70,000
		----- 7,42,58,881 -----
	Assessed Income.	7,75,04,561 -----

## Assessment year 2012-13:-

Unaccounted sales suppression in the proprietary concern of white Ads	1,99,61,153
Unexplained credits found in Reserve and Surplus	14,01,72,029
Unexplained paid in cash u/s. 69C	10,00,000
Amount advanced as hand loan for Asst. Year 2012-13 U/S. 69	5,26,00,000
Interest received on the above loans	94,68,000
	----- 22,32,01,182 -----

Assessed Income	23,68,07,792/- -----
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Assessment year 2013-14:-

1	Unexplained credits by way of capital increase in M/s. Reni Agro Engineering Pvt Ltd u/s. 69	1,07,74,285
2	Unaccounted investment by way of hand loans given to various parites outside the books of accounts in Finance business u/s. 69	21,15,36,634
3	Unexplained expenditure for Marthamalai Rajagopuram u/s. 69c	39,00,000
4	Interest received on the above loans	3,80,76,595
5	Unaccounted investment in Silver Jewellery u/s. 69	15,51,790
	Assessed Income	27,95,60,912/-

These additions were made on the income returned by the assessee in the returns originally filed u/s. 139(1) of the Act.

7. In the case of Smt. A. Vijayalakshmi the additions made for assessment years 2007-08, 2008-09, 2011-12 and 2013-14 were only under the head "income from other sources". She had filed return u/s. 139(1) of the Act only for assessment year 2009-2010, wherein ₹5,20,138/- was declared on income from other sources. Based on this Id. Assessing Officer had made an estimate of income from other

sources for all the other years. Additions made for assessment year 2007-08 was ₹3,32,800/-, for assessment year 2008-09 ₹4,16,000/-, for assessment year 2010-11 ₹6,25,000/-, for assessment year 2011-2012 ₹7,50,000/-, for assessment year 2012-13 ₹9,00,000/- and for assessment year 2013-14 ₹10,80,000/-. For assessment years 2010-2011 apart from the addition made under the head "income from other sources" there was one other item also. This was an addition of ₹1,41,99,000/- for unexplained investment in acquiring 47.33 cents of land at Kalapatti Village. Similarly there was an addition for unexplained investment of ₹2,07,000/- for acquiring 1.03 ½ acres of land at Mathuvarayapuram Village, for assessment year 2012-2013.

**8.** In the case of Smt. P. Savithri also, additions were made under the head "income from other sources" for all these years taking cue of the return filed by her for assessment year 2009-2010, wherein she had declared income of ₹3,79,450/- under that head. Such addition for assessment year 2007-08 came to ₹3,25,000/-, for assessment year 2008-09 ₹3,50,000/-, for assessment year 2010-11 ₹4,00,000/-, for assessment year 2011-12 ₹4,25,000/-, for assessment year 2012-13 ₹4,50,000/- and for assessment year 2013-14 it came to ₹4,75,000/-. Apart from the above for assessment year 2011-12 there was an addition of ₹90,00,000/- for an investment in a land and

building at SF No.262/RS No.263/1 TS No.58 at Singanallur, Coimbatore. There were a similar addition of ₹22,12,000/- for investments in 2217 sq.ft of land at SF No.263/1, TS No.59 at Singanallur, Coimbatore and ₹5,50,000/- for investment in 2.75 acres of land at SF No.431/1 & 432/1A at Mathuvarayapuram Village, Coimbatore for assessment year 2012-2013.

**9.** In the case of Shri. Kamal Palanisami for assessment year 2007-2008, an undisclosed income of ₹6,21,030/- was assessed. This comprised of estimated salary of ₹1,51,950/- and business income of ₹4,69,080/-. For assessment year 2010-2011, an addition of ₹1,00,00,000/- was made against a payment given to Shri. Sundar for a power of attorney for purchasing 9.62.3 acres of land at Sarkar Samakulam, Kondayampalayam Village, Coimbatore. For the said year assessee had filed a return u/s. 139(1) of the Act reflecting business income of ₹7,92,708/- and income from other sources ₹75,066/-. For assessment year 2013-14 business income of ₹50,00,130/- was estimated and added.

**10.** Aggrieved by the above additions all the assesseees moved in appeal before the Id. Commissioner of Income Tax (Appeals). Shri. Anand Palanisami as well as other assesseees challenged all the

additions made by the Id. Assessing Officer. Assessee also sought permission for admitting additional evidence under Rule 46A of the Income Tax Rules, 1962 (in short "the Rules"). The additional evidence furnished by Shri. Anand Palanisami, consisted of accounts in Tally including Profit and Loss account, Balance Sheet and sale deeds for purchase of property and Form 26AS. Contention before Id. Commissioner of Income Tax (Appeals) was that the notices issued by the Id. Assessing Officer were forwarded to the Chartered Accountant Shri. R. Sukumaran. According to the assessee, he committed a mistake in not following up the matter with Shri. R. Sukumaran. As per the assessee, they had not received proper professional advice and had entirely believed Shri. R. Sukumaran. Further, submission of the assessee was that he could not file the returns of income pursuant to notices issued by the Id. Assessing Officer, due to inability to pay admitted taxes, on account of attachment of all the immovable property by the Revenue u/s. 281B of the Act. Thus according to assessee, they were prevented by sufficient cause from producing evidence before Id. Assessing Officer. Reliance was also placed on CBDT Circular No.014(XL-35) dated 11.04.1955, apart from judgment of Hon'ble Karnataka High Court in the case of Shankar Khandasari Sugar Mills vs. CIT 193 ITR 0669 and that of judgment of Jurisdictional High Court in the case of Venture Metal Products Private Limited vs.

DCIT 362 ITR 122. Submissions made by all the assesseees before the Id. Commissioner of Income Tax (Appeals), seeking admission of additional evidence were on similar vein. Id. Commissioner of Income Tax (Appeals) however rejected the plea for admitting additional evidence with the following observations:-

*"5.3. In the instant case before me the appellant has taken a stand that appellant was prevented by reasonable cause from appearing before the assessing officer (henceforth referred to as the "AO") and filing the return of income and the evidence.*

*Various Courts have held that CIT(A) has power co-terminus with the AO. Drawing strength from that, I also made detailed investigation to find out what had happened in this case whether any reasonable cause existed which prevented this appellant from filing evidence before the Assessing authority. Details of investigation are listed as under:*

*This appellant is a name lender / benami of a person who is a relative of a power centre. This kingpin of western region of Tamil Nadu controls Government officials working in western region. He has shadow control in the day to day functioning of the Government departments. Even the Ministers of this region have to pay visit to him to retain the Ministership. He carries the name of "10 headed demon King of Lanka", These appellants are the benamies of that person. In this Western region no government officials, law enforcing authorities including Sales Tax, Police, RTO, etc., can enforce their law with this group.*

*Search and Seizure u/s 132 of the I.T. Act conducted by the Investigation Wing of the department in Coimbatore came as a rude shock to these people. They realized that the Income Tax department is not under the control of the State Government and Income Tax officials need not submit to these people's control as they are not in State Government. Even then, this group expected that*

*Income Tax department will realize their folly and release all the seized material without any enquiry and assessment proceedings and allow them to go scat-free. Unfortunately, Income Tax department and Income Tax law do not permit such action.*

*The appellant is simply blaming the CA who was handling the case before I after search, that he is not properly representing their case. But investigation reveals that there is no iota of truth in the allegation of the appellant.*

*The CA, who was in the helm of affairs before and after search, is popular, sincere and is known for his knowledge and wisdom. He is known for giving genuine advice in tax matters and he handles good number of clientele base. In the instant case the CA advised these appellants to pay the tax to Income Tax department as per the offer made at the time of search and file Return of income in response to notices u/s 153A and 153C. He also warned them to face consequences of nonpayment of taxes. But nothing could change the appellant's attitude. The attitude remained "how can a government official ask me to pay taxes" as he assumed himself as the ruler of this region, This group of persons was called to Income Tax Office and the AO explained the consequences of non-cooperation and non compliance to the notices that was sent number of times. But the appellant's attitude remained "do what you can". Despite number of notices, show cause notices issued, the appellant did not bother to respond and represent this case before the AD which resulted in ex parte assessment.*

*The appellant group tried to create a picture as if the CA does not know the I.T. Act and the consequences of not responding to the statutory notices. The appellant cannot expect the CA to pay their tax liability and file their return of Income.*

*Even after show cause notices for filing prosecution complaint were sent, the appellant did not respond which shows that the appellant had harassed the department and the AO. The AO was left with no other*

*option except to proceed to make assessment based on seized materials as the appellant is not interested to defend his case.*

*After analyzing the investigation findings and appellant's submissions before me at the appellate stage, I do not find any reasonable cause which prevented the appellant from filing evidence before the AO. No trace of reasonable cause was found or seen at the same time plenty of arrogance against compliance of the law of the land, is evident.*

*5.4. Hence, I do not find any reason to accept the fresh evidence at this stage. Accordingly, the appellant's request for admission of fresh evidence cannot be entertained. If the evidence is accepted, it would be an insult to the law abiding citizen who complies with the law of the land.*

*5.5 From the above, it can be seen clearly that there was no reasonable cause which made the appellant not to appear before the Assessing Officer or make any compliance for any of the notices. In the circumstances, the appellant's request for admission of additional evidence under rule 46A is hereby rejected".*

Ld. Commissioner of Income Tax (Appeals) also placed reliance on the judgment of Hon'ble Allahabad High Court in the case of *Haji Lal Mohd Biri Works vs. CIT 275 ITR 496*, that of Hon'ble Punjab and Haryana High Court in the case of *CIT vs. Bank of Punjab Ltd 286 ITR 630*, that of Hon'ble Guahati High Court in the case of *CIT vs Ranjit Kumar Choudhury, 288 ITR 179*, that of Hon'ble Allahabad High Court in the case of *Bimal Kumar Anant Kumar vs. CIT 288 ITR 278* and that of Hon'ble Gujarat High Court in the case of *N.B. Surti Family Trust vs.*

*CIT 288 ITR 523*. He confirmed all the additions made by the Id. Assessing Officer.

**11.** Aggrieved, assessee is in appeal before us. Id. Authorised Representative strongly assailing the orders of the lower authorities submitted that the assessments were completed ex-parte. According to him, Shri. Anand Palanisami who was the searched assessee, had admitted ₹16 Crores during the course of search but final additions aggregated more than 58 Crores. Contention of the Id. Authorised Representative was that there were a number double additions. As per Id. Authorised Representative even a telescoping was not considered by the lower authorities. Further contention of the Id. Authorised Representative was that Id. Commissioner of Income Tax (Appeals) had summarily rejected the additional evidence filed, citing a reason that assessee had not availed opportunities granted by the Id. Assessing Officer. As per Id. Authorised Representative, Id. Commissioner of Income Tax (Appeals) went by certain presumption and surmises without considering merits of the additional evidence filed by the assessee. According to him, additional evidence if not considered would result in miscarriage of justice and result in computation of an irrationally high income.

**12.** Per contra, Id. Departmental Representative submitted that assessee could not claim benefit of Rule 46A of the Rules. According to him, Id. Assessing Officer had not refused admission of any evidence brought in by the assessee. Assessee as per Id. Departmental Representative never entered appearance nor filed their returns despite repeated notices issued by the Id. Assessing Officer. Contention of the Id. Departmental Representative was that assessee could not show any cause which precluded it from producing evidence before Id. Assessing Officer. Further, as per the Id. Departmental Representative assessee had admitted undisclosed income during the course of search and subsequent proceedings but never filed returns of income. Id. Departmental Representative also pointed out that Department had filed prosecution proceedings against the assessee u/s. 276CCC of the Act for willful default in filing returns. According to him, deliberate act of negligence on the part of the assessee could not be condoned under Rule 46A and no lenient treatment could be given to them.

**13.** Ad libitum reply of the Id. Authorised Representative was that assessee might have blundered in not filing their returns. However, according to him, Department was duty bound to assess the real income and assessment proceedings could not be converted to a

penal proceedings for non compliance with notices. According to him, Id. Commissioner of Income Tax (Appeals) never considered the merits of the case and went by a line that assesseees should be taught a lesson. As per Id. Authorised Representative assesseees were prevented by sufficient cause from producing evidence before the Id. Assessing Officer and therefore additional evidence ought to have admitted.

**14.** We have considered the rival contentions and perused the orders of the authorities below. What we find from the assessment order of Shri. Anand Palanisami for the impugned assessment year is that there were additions for difference in turnover, difference in reserve and surplus, unexplained loans and advances, increase in capital, donation to Maruthamalai Temple, interest on loans and on-money paid for acquisition of properties. In the case of Smt. A. Vijayalakshmi, additions made were all based on income of ₹5,20,138 from other sources returned by her for assessment year 2009-2010, apart from additions made in assessment years 2010-2011 and 2012-2013 for unexplained investments in properties. Similar is the case of Smt. P. Savithri also. In the case of Shri. Kamal Palanisami the additions were for estimated salary and estimated business income

apart from an addition for unexplained investment in a land.

**15.** A reading of the assessment order of Shri. Anand Palanisami show that one of the addition was for increase in capital in a company called M/s. Reny Agro Engineering Pvt Ltd in which he is a director. Similarly, there was an addition made in assessment year 2011-12 for difference in reserve and surplus in the Balance sheet found during the search. Assessee was unable to show why these difference would not result in undisclosed income. The additions relating to transactions in immovable property were substantially based on agreements. Confirmation of the sellers/purchasers were also available. Loans considered for additions included those loans which the assessee Shri. Anand Palanisami, mentioned in his statement as mere proposal for lending. However, Shri. Anand Palanisami in the statement recorded on 24.01.2013 had confirmed lending of money to various persons, though he mentioned that the seized documents also included proposal to lend.

**16.** In the case of Smt. A. Vijayalakshmi, her income from other sources were estimated based on income returned by her under the said head, in her return filed for assessment year 2009-2010, since

no other materials was placed on record by the assessee for such income for the impugned assessment years. The additions made for alleged on-money transactions, were again substantially based on confirmations obtained from the concerned parties. Similar was the additions made in the case of Smt. P. Savithri also.

**17.** Coming to the case of Shri. Kamal Palanisami an addition was made for alleged undisclosed investments for a land at Sarkar Samakulam, Kondayampalayam Village, Coimbatore. Id. Assessing Officer had went by a power of attorney and statement of one Shri. S. Sundar, and assessee could not rebut the statement of Shri. S. Sundar with evidence.

**18.** No doubt it might be true that for number of additions could have been duplicated. However, Id. Assessing Officer had given a number of opportunity to the assesseees to file their returns and for entering appearance, but the assesseees had failed to respond. Before the Id. Commissioner of Income Tax (Appeals) assessee had clearly mentioned that they were dependent on one Chartered Accountant Shri. R. Sukumaran, who failed to give proper advise. No evidence on this pleading was placed on record. What was filed by the assessee before Id. Commissioner of Income Tax (Appeals) included cash flow

statement, bank statement, sale deed, profit and loss account and balance sheet. Ld. Commissioner of Income Tax (Appeals) had rejected the application for admission of additional evidence taking a view that the Chartered Accountant concerned was popular, sincere and known for his knowledge and wisdom. The Id. Commissioner of Income Tax (Appeals) considered that assessee Shri. Anand Palanisami to be a relative of power centre who was the kingpin of western region of Tamil Nadu. As per Id. Commissioner of Income Tax (Appeals) assesseees were all benamis of a political power centre who was controlling the day to day functioning of the Government Departments. In our opinion, though the findings given by the Id. Commissioner of Income Tax (Appeals) were not mere assumptions, justice required consideration of the additional evidence.

**19.** Considering the facts and circumstances of the case, and to meet the ends of justice, we are of the opinion that the additional evidence brought in by the assesseees have to be looked into by the Id. Commissioner of Income Tax (Appeals) as to its authenticity, appropriateness and why assessee's could not produce it before Id. Assessing Officer. Ld. Commissioner of Income Tax (Appeals) after looking into all aspects relating to additional evidence is free to accept or reject them. We therefore set aside the order of the Id.

Commissioner of Income Tax (Appeals) and remit the cases back to him for considering admission of each of the additional evidence produced by the assessee in accordance with law. Assesseees are directed to co-operate with the Id. Commissioner of Income Tax (Appeals) and furnish all information called for by him in timely manner, failing which Id. Commissioner of Income Tax (Appeals) will be free to take an adverse view.

**20.** In the result, the appeals of the assesseees for the impugned assessment years are allowed for statistical purpose.

Order pronounced on Wednesday, the 30<sup>th</sup> day of August, 2017, at Chennai.

**Sd/-**

(एन.आर.एस. गणेशन))

**(N.R.S. GANESAN)**

**न्यायिक सदस्य/JUDICIAL MEMBER**

**Sd/-**

(अब्राहम पी. जॉर्ज)

**(ABRAHAM P. GEORGE)**

**लेखा सदस्य/ACCOUNTANT MEMBER**

चेन्नई/Chennai

दिनांक/Dated: 30th August, 2017.

**KV**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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| 1. अपीलार्थी/Appellant   | 3. आयकर आयुक्त (अपील)/CIT(A) | 5. विभागीय प्रतिनिधि/DR |
| 2. प्रत्यर्थी/Respondent | 4. आयकर आयुक्त/CIT           | 6. गार्ड फाईल/GF        |