

अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI
श्री वी दुर्गा राव न्यायिक सदस्य एवं श्री जी. मंजुनाथा, लेखा सदस्य के समक्ष
Before Shri V. Durga Rao, Judicial Member &
Shri Manjunatha, G., Accountant Member

आयकर अपील सं./I.T.A. No.887/Chny/2023
निर्धारण वर्ष/Assessment Year: 2017-18

M/s. Biosini Nutraceuticals,
Chennai High Road Near Jain Temple,
Sadanapalli Post, Krishnagiri,
Tamil Nadu 635 108.

Vs. The Income Tax Officer,
Ward 1,
Krishnagiri.

[PAN: AAHFB7412N]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri T.S. Lakshmi Venkataraman, FCA
प्रत्यर्थी की ओर से/Respondent by : Shri AR V Sreenivasan, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 17.10.2023
घोषणा की तारीख /Date of Pronouncement : 17.10.2023

आदेश /ORDER

PER V. DURGA RAO, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order of the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi, dated 07.07.2023 for assessment year 2017-18.

2. Brief facts of the case are that as per the information available to the Department, the assessee made cash deposits in Specified Bank Notes (SBNs) (demonetized currency) in bank account(s) during the demonetized period i.e., 09.11.2016 to 30.12.2016 amounting to

₹.11,89,500/-. The Assessing Officer issued notice under section 142(1) of the Income Tax Act, 1961 ["Act" in short] requiring the assessee to file a valid return of income for the assessment year 2017-18. However, the assessee has not filed the return of income or complied to any of the notices served on the assessee. Subsequently, the Assessing Officer issued notice under section 133(6) of the Act to the Corporation Bank to furnish the details of the bank accounts maintained by the assessee. On perusal of the bank statement, the Assessing Officer has noted that the assessee made substantial amount of deposits/credits in its bank account by way of cash deposit as well as credit transfer. The Assessing Officer has further noted that the substantial amount of deposits/credits in the assessee's bank account were made by way of cash deposits to the extent of ₹.1,21,28,560/- during the period from 01.04.2016 to 31.03.2017 which includes cash deposits during the demonetized period from 06.11.2016 to 30.12.2016 to the extent of ₹.11,89,500/-. Since the assessee has failed to comply with the notices issued under section 142(1) of the Act and show cause notice issued under section 144 of the Act, the Assessing Officer proceeded to complete best judgement assessment under section 144 of the Act dated 31.10.2019 and brought to tax the entire credits including the cash deposits made into the assessee's bank account under section 69 of the Act.

3. The assessee carried the matter in appeal before the Id. CIT(A). Despite ample opportunities by way of hearing notices issued, the assessee has not submitted any explanation with evidences. Accordingly, the Id. CIT(A) confirmed the addition made by the Assessing Officer.

4. On being aggrieved, the assessee is in appeal before the Tribunal. The Id. Counsel for the assessee has submitted that since the assessee was prevented by reasonable cause, he was unable to furnish any details before the authorities below and prayed that one more opportunity may be afforded to substantiate his case.

5. On the other hand, the Id. DR strongly supported the orders of authorities below.

6. We have heard both the sides, perused the materials available on record and gone through the orders of authorities below. Despite various notices issued by the Assessing Officer, the assessee has neither put his appearance nor furnished any details with supporting evidence in response to the notices issued under section 142(1) and to the show cause notice issued under section 144 of the Act. The Id. CIT(A) has also afforded ample opportunities by issuing various hearing notices, but the assessee was refrained from attending the appellate proceedings and

has not furnished any submission. Thus, the appeal filed by the assessee is liable to be dismissed. However, in order to meet the ends of natural justice, we are of the considered opinion that the assessee shall be afforded one more opportunity of being heard to substantiate its case before the Assessing Officer. Accordingly, we set aside the appellate order and remit the matter back to the file of the Assessing Officer to afford one more opportunity of being heard to the assessee to substantiate his case with suitable explanation and evidences and thereafter decide the issue in accordance with law subject to the condition that the assessee should pay ₹.2,000/- to the State Legal Aid Authority, Hon'ble Madras High Court and produce necessary proof of payment of cost before the Assessing Officer.

7. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 17th October, 2023 at Chennai.

Sd/-
(MANJUNATHA, G.)
ACCOUNTANT MEMBER

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Chennai, Dated, 17.10.2023

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to: 1. अपीलार्थी/Appellant, 2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, 4. विभागीय प्रतिनिधि/DR & 5. गार्ड फाईल/GF.