

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.885/Chny/2023
निर्धारण वर्ष/Assessment Year: 2016-17

Mrs. Nadarajan Kalyani,
47-A, S.N.D. Road,
Tamil Nadu 637 211.

Vs. The Income Tax Officer,
Ward 1(6),
Chennai.

[PAN: ANZPK3272G]

(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 /O R D E R

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 20.06.2023 relevant to the assessment year 2016-17.

2. Brief facts of the case are that the case of the assessee was selected for Limited Scrutiny for the assessment year 2016-17 through CASS for the following reason:

“High cash on hand shown in balance sheet as compared to preceding year and return of income filed after 07.11.2016: whether cash in hand shown in return of income is correct.”

Notice under section 143(2) of the Income Tax Act, 1961 [“Act” in short] was issued and duly served on the assessee and asked to submit details and mode of payment, bank statement, details of sundry credits along with confirmation, cash book and ledger account. However, the assessee failed to furnish any of the details as called for. Various notices issued under section 142(1) of the Act for furnishing the details, but, the assessee did not comply with any of the notices issued by the Assessing Officer. Finally, the Assessing Officer communicated draft assessment order dated 04.12.2018 to the assessee to file the reply on or before 07.12.2018. However, there was no response from the assessee. In the absence of any reply and supporting details despite ample opportunities were afforded, the Assessing Officer proceeded to complete best judgement assessment under section 144 of the Act dated 10.12.2018 by treating the cash in hand to the tune of ₹.22,48,834/- as shown by the assessee as unexplained money under section 69A of the Act and added back to the returned income of the assessee.

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 complied to furnish any submissions/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 sections 143(3)/142(1) and also to the draft assessment order dated 04.12.2018. The Id. CIT(A) has also afforded ample opportunities by issuing various hearing notices, but the

assessee has not complied with by furnishing any explanation in support of evidences. 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.