

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
MUMBAI BENCH “G”, MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER  
AND  
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER**

**ITA No.3962/M/2023  
Assessment Year: 2017-18**

M/s. Safe Life Pharmachem Pvt. Ltd., First Floor, Satyam Building, C Wing, Dr. R.P. Road, Mulund West, Mumbai – 400 080 <b>PAN: AAAMCS8385D</b>	Vs.	The Dy. Commissioner of Income Tax, Circle-15(3)(2), Room No.451, 4 <sup>th</sup> Floor, Aayakar Bhavan, Maharishi Karve Road, Mumbai- 400 020
(Appellant)		(Respondent)

**Present for:**

Assessee by : Shri Rajeev Khandelwal, C.A.

Revenue by : Shri Manoj Kumar Singh, Sr. A.R.

Date of Hearing : 25 . 04. 2024

Date of Pronouncement : 30 . 04. 2024

**O R D E R**

**Per : Narender Kumar Choudhry, Judicial Member:**

This appeal has been preferred by the assessee against the order dated 26.10.2023, impugned herein, passed by the Ld. National Faceless Appeal Center (NFAC)/ Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) under section 250 of the Income Tax Act, 1961 (in short ‘the Act’) for the A.Y. 2017-18.

2. In the instant case the Assessing Officer (AO), vide assessment order dated 24.12.2019, made two additions of Rs.113,13,517/- and Rs.31,779/- respectively under section 68 of the Act on account of cash deposited during the demonetisation period in its bank account and interest paid under section 201(1A) or under section 206C(7) of the Act.

The assessee, being aggrieved, challenged the said additions before the Ld. Commissioner, however, in spite of sending three notices for the dates of hearing by the Ld. Commissioner, made no compliance and therefore, Ld. Commissioner in the constrained circumstances and in the absence of relevant documents and reply/submissions of the assessee, affirmed the aforesaid additions, against which the assessee is in appeal before us.

3. The Ld. Counsel, at the outset, submitted that there was inadvertent mistake on the part of the assessee to reconcile the bank statements as the assessee did not get proper notices for the dates of hearing before the Ld. Commissioner, therefore, the assessee was unable to substantiate its case before the Ld. Commissioner, which resulted into passing the ex-parte order and therefore in the interest of justice one more opportunity may be given to the assessee to substantiate its claim and to reconcile the amount deposited during the demonetisation period.

4. On the contrary, the Ld. DR refuted the claim of the Assessee by submitting that impugned order does not suffers from any perversity, impropriety and/or illegality , hence the appeal of the Assessee is liable to be dismissed.

5. Having heard the parties and given thoughtful considerations to the peculiar facts and circumstances of the case, we observe that in the instant case the assessment order, under section 143(3) of the Act, was passed on 24.12.2019 against which the assessee instituted first appeal before the Ld. Commissioner on 23.01.2020. However, the first notice for hearing the said appeal was issued after a gap of one year i.e. on 25.02.2021 and thereafter a gap of one year and eight months i.e. on 06.10.2023 and on 16.10.2023 and therefore, prima-facie, the contention of the assessee, that the assessee could not get the notices/information about the appellate proceedings, seems to be probable. Coming to the merits of the case, we observe that the assessee, as claimed, failed to reconcile the amounts deposited in its bank account during demonetisation period vis-à-vis cash sales, stock data etc., hence, for the just decision of the case and for the ends of substantial justice, we are inclined to afford an opportunity to the assessee to substantiate its claim and therefore the case is accordingly remanded to the file of the Assessing officer for decision afresh, suffice to say by affording reasonable opportunity of bearing heard to the assessee.

6. In the result, the appeal filed by the assessee stands allowed for statistical purposes.

**Order pronounced in the open court on 30.04.2024.**

**Sd/-**  
**(RATNESH NANDAN SAHAY)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(NARENDER KUMAR CHOUDHRY)**  
**JUDICIAL MEMBER**

\* Kishore, Sr. P.S.

Copy to: The Appellant  
The Respondent  
The CIT, Concerned, Mumbai  
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.