

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में
IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "SMC", HYDERABAD

BEFORE SHRI K. NARASIMHA CHARY, JUDICIAL MEMBER

आ.अपी.सं / ITA No. 311/Hyd/2024
(निर्धारण वर्ष / Assessment Year: 2017-18)

Kaametardha Chit Funds Vs. Income Tax Officer,
Private Limited, Ward-2(1),
Hyderabad Hyderabad
[PAN No. AADCK7788H]

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri P. Vinod, AR

राजस्व द्वारा/Revenue by: Shri Ashish Kumar Shukla, DR

सुनवाई की तारीख/Date of hearing: 02/05/2024

घोषणा की तारीख/Pronouncement on: 06/05/2024

आदेश / ORDER

Aggrieved by the order dated 30/01/2024 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Kaametardha Chit Funds Private Limited ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. Brief facts of the case are that the assessee is in the business of running chits. For the assessment year 2017-18, it filed its return of income on 06/10/2017, declaring the income of Rs. 2,85,570/-. There were cash deposits to the tune of Rs. 33.38 lakhs in specified bank notes during the period between 09/11/2016 and 31/12/2016 and according to the

assessee, all such deposits are the business receipts. Learned Assessing Officer, made the addition of the entire amount stating that receiving the subscription amount in specified bank notes was not permissible during that period.

3. Assessee preferred appeal before the learned CIT(A) and pleaded that the company had cash of Rs. 33,65,062/- in hand as on 08/11/2016 and the same was deposited into the bank subsequently. On this the learned CIT(A) requested the assessee to submitted that copies of the chit issued on 08/11/2016 of Rs. 29,24,130/- to verify such an aspect adverted to in the notice dated 01/01/2024, but the assessee did not produce the same before the learned CIT(A). Learned CIT(A), hence recorded that there was not enough material before him to verify the facts pleaded by the assessee and, therefore, declined to interfere with the action of the learned Assessing Officer.

4. Hence, the assessee filed this appeal and pleaded that the learned CIT(A) failed to appreciate his plea in its proper perspective and also failed to give sufficient time to submit the details requested by him. Learned AR submitted that the assessee could not submit the details in time, because the assessee had to collate all the information which took time, and now, the assessee is in possession of such information and produced the same. Learned AR prayed that an opportunity may be granted to the assessee to establish its case and to get the correct tax liability determined.

5. Per contra, learned DR vehemently opposed grant of time, stating that the learned CIT(A) granted sufficient time, which the assessee failed to avail and, therefore, there is no point in granting further opportunity.

6. I have gone through the record in the light of the submissions made on either side. It could be seen from the impugned order by way of notice dated 01/01/2024, learned CIT(A) sought the information from the

assessee on or before 16/01/2024 and we never knew when was such notice served on the assessee. Since the learned CIT(A) wanted to verify the details like, to fulfil the three basic conditions, namely, identity of the subscribers, creditworthiness of the subscribers and genuinity of transactions as envisaged in section 68 of the Act; that who, won the auction i.e to whom the money was given for this particular auction and at what rate of interest, and proof thereof; that when was the said money returned to the company and in turn returned to the subscribers and proof thereof; that the details of past history of the relevant chit group or individuals taking part in the auction with money involved during the year under consideration or earlier years; and that the reason for so large issue of chit on 08/11/2016 when there is no such precedence.

7. Since the date of service of such notice on the assessee is not certain, there is no reason not to believe the submission made on behalf of the assessee that not sufficient time was left at the disposal of the assessee for collating and submitting the details. Any how, now the assessee submitted the details by looking at which, a reasonable view could be taken. Learned AR submitted that it would be convenient for learned Assessing Officer to verify these details and, therefore, the matter may be restored to the file of the learned Assessing Officer. Learned DR reports no objection. Hence, I deem it just and convenient to restore the issue to the file of the learned Assessing Officer.

8. With this view of the matter, since the disposal of the matter requires verification of the evidences produced by the assessee, while setting aside the impugned order and restoring the appeal to the file of the learned Assessing Officer, I direct the assessee to co-operate with the learned Assessing Officer in getting the matters disposed of on merits, without seeking any adjournments and the learned Assessing Officer to take a fresh look at the matter, after affording a reasonable opportunity of being heard to the assessee. It is made clear that it is the last opportunity

to the assessee and no further lenience will be taken. Grounds are accordingly treated as allowed for statistical purposes.

9. In the result, appeal of the assessee is treated as allowed for statistical purposes.

Order pronounced in the open court on this the 6th day of May, 2024.

Sd/-
(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,
Dated: 06/05/2024

TNMM

Copy forwarded to:

1. Kaametardha Chit Funds Private Limited, F.No. 309 and 310, Aditya Nagar, Vinayak Nagar, Neredmet, Hyderabad.
2. Income Tax Officer, Ward-2(1), Hyderabad.
3. Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE.

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ASSISTANT REGISTRAR
ITAT, HYDERABAD