

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'C' BENCH, CHENNAI
श्री एसएस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष ।
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri Manoj Kumar Aggarwal, Accountant Member

आयकर अपील सं./I.T.A. No.43/Chny/2024
निर्धारण वर्ष/Assessment Years: 2017-18

Sri Arumuga Enterprise Limited,
No. 64, Dr. Nanjappa Road,
Coimbatore 641 018.

Vs. The Assistant Commissioner of
Income Tax,
Corporate Circle 1,
Coimbatore.

[PAN: AAACN3386M]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri R. Venkata Raman, CA
प्रत्यर्थी की ओर से/Respondent by : Shri R. Clement Ramesh Kumar, CIT
सुनवाई की तारीख/ Date of hearing : 01.05.2024
घोषणा की तारीख /Date of Pronouncement : 08.05.2024

आदेश /ORDER

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal by the assessee is against the order dated 30.11.2023 passed by the NFAC [CIT(A)] for the assessment year 2017-18.

2. The assessee raised six grounds of appeal amongst which, the only issue emanates for consideration as to whether NFAC [CIT(A)] is justified in confirming the order of the Assessing Officer as exparte the assessee.

3. We note that the assessee is a company engaged in the business of manufacturing garments. The assessee has filed return of income declaring a total income of ₹.33,21,030/-. Under scrutiny, notice under section 143(2) of the Income Tax Act, 1961 ["Act" in short] was issued and the Assessing Officer determined the total income of the assessee at ₹.6,26,96,030/-, inter alia, making addition on account of unexplained cash credit under section 68 of the Act to the extent of ₹.5,93,75,000/- vide order dated 27.12.2019 passed under section 143(3) of the Act.

4. Having aggrieved by the said order of the Assessing Officer, the assessee preferred an appeal before the NFAC [CIT(A)], wherein, the order of the Assessing Officer was confirmed for non-compliance. Therefore, having aggrieved by the order of the NFAC [CIT(A)], the assessee preferred an appeal before us, by raising above mentioned grounds.

5. The Id. AR Shri R. Venkata Raman, C.A. submits that the assessee is ready to prosecute the grounds of appeal by filing relevant details and prayed to remand the matter to the file of the Id. CIT(A).

6. On the other hand, the Id. DR vehemently opposed.

7. We note that the Assessing Officer, having found cash deposits in the bank account of the assessee, sought for details of source for the said cash deposits along with cash book. The assessee contended that there was sufficient cash balance as on 08.11.2016, having examined the same, which is reproduced in page 2-3 of the assessment order, further directed the assessee to provide copy of VAT returns. On filing and verification of the same, the Assessing Officer held that the assessee failed to establish the creditworthiness and genuineness of the said cash transaction and added the same amount to the total income of the assessee.

8. Before the Id. CIT(A), it was contended that no opportunity was given by the Assessing Officer and the cash deposits were sales during the course of regular business. But, however, no compliance made supporting its contentions in this regard in the first appellate proceedings. Observations of the NFAC [CIT(A)] is clear from para 4 of the impugned order, which establishes that the Id. CIT(A) proceeded to confirm the order of the Assessing Officer in the absence of any evidences. Taking into consideration the submissions of the Id. AR and the issue involved under section 68 of the Act, we are of the opinion

that it is a fit case for remand for fresh consideration of NFAC[CIT(A)], Delhi and accordingly, the matter is remanded to the file of the NFAC[CIT(A)], Delhi for its fresh consideration. The assessee is at liberty to file evidences, if any, in support of its contention. Thus, grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced on 8th May, 2024 at Chennai.

Sd/-
(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 08.05.2024

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.