

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A” BENCH: BANGALORE**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER
AND
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER**

ITA No.991/Bang/2024
Assessment Year: 2017-18

Janayoga Chitfunds Private Limited Regd. Office No.8, 1 st Floor Aishwarya Building Vignana Nagar Main Road New Tippasandra Post Bangalore 560 075. PAN NO : AADCJ5058K	Vs.	ITO Ward-4(1)(1) Bangalore
APPELLANT		RESPONDENT

Appellant by	:	Sri Tharun Kothari, A.R.
Respondent by	:	Sri Ganesh R. Gale, Standing Counsel for department.

Date of Hearing	:	20.06.2024
Date of Pronouncement	:	20.06.2024

O R D E R

PER CHANDRA POOJARI, ACCOUNTANT MEMBER:

This appeal by assessee is directed against order of NFAC for the assessment year 2017-18 dated 18.3.2024 passed u/s 250 of the Income Tax Act, 1961 (in short “The Act”). The assessee has raised following grounds of appeal:

- 1) *“The order passed by the Learned Commissioner of Income Tax (Appeals), NFAC, Delhi, passed under section 250 of the Income Tax Act, 1961 (hereafter “the Act”) is in so far as it is against the appellant is opposed to law, equity, weight of evidence, probabilities, facts and circumstances of the case.*
- 2) *The learned Assessing Officer erred on facts and law by adding Rs. 16,58,625/- to the taxable income of the Appellant as unexplained money under section 69A of the Income Tax Act, 1961.*

- 3) *The learned Assessing Officer erred on facts and law by treating Rs. 16,58,625/- as unexplained money under section 69A of the Income Tax Act, 1961 without understanding the Appellants business.*
- 4) *The Appellant craves leave to add, omit or alter grounds of appeal before or during the hearing of the appeal.*
- 5) *The initiation of penalty u/s 270AAC of the Act is not tenable in law.*
- 6) *The levy of interest u/s 234A and 234B of the Act is exclusive and ought to be deleted.*
- 7) *Each ground is mutually exclusive and the appellant craves leave to add, alter, modify, delete, or substitute any or all of the grounds.”*

2. There was a delay of 3 days in filing appeal before this Tribunal. At the time of hearing, Id. A.R. stated that due to oversight assessee failed to take steps to file the appeal within the statutory time limit and thus caused short delay of 3 days and prayed that the delay to be condoned.

3. We have heard the rival submissions and perused the materials available on record. In our opinion, there is a short delay of 3 days, which was explained by the Id. A.R. that it was due to oversight assessee failed to take appropriate steps to file appeal before this Tribunal. Considering the short delay of 3 days, we admit the appeal for adjudication.

4. Facts of the case are that the assessee is a private limited company and filed its return of income for the AY 2017-18 declaring total income at Rs.Nil. The department has the information that the appellant company made substantial cash deposits during the demonetization period. Accordingly, the case of the appellant was selected manually for the scrutiny purpose and subsequently the assessment proceedings were completed assessing the income of the assessee at Rs.16,58,625/- wherein the addition of Rs.16,58,625/- was made u/s 69A of the Act as unexplained money.

4.1 Against this assessee went in appeal before NFAC and called for various information from the assessee to support this case. However, no response from the assessee by filing the requisite evidences before the NFAC. Hence, the NFAC dismissed the appeal

of the assessee confirming the order of ld. AO. Against this assessee is in appeal before us.

5. The ld. A.R. submitted that the assessee gave mail ID of assessee's Accountant and notices of the NFAC have been mailed to assessee's employee's mail ID which was not brought to the notice of assessee. Hence, the assessee failed to file necessary submissions and prayed that the issue may be remitted to the file of NFAC for fresh consideration.

6. The ld. D.R. has not put any strong objections and submitted that the issue may be decided on merit.

7. We have heard the rival submissions and perused the materials available on record. In this case, admittedly, there was no response from the assessee before NFAC on giving various notices to file necessary submissions before it. The ld. A.R. submitted that it was due to sending various notices of hearing to the mail address of the assessee's employee who has not brought the details of notices given by the NFAC to the assessee's knowledge. The assessee failed to take steps to file necessary details before NFAC. In our opinion, the explanation given by assessee is good and sufficient reason to remit the issue back to the file of NFAC to decide the issue on merits afresh. Accordingly, in the interest of justice, we remit the entire issue in dispute to the file of NFAC to decide the same afresh after giving an opportunity of hearing to the assessee.

8. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 20th June, 2024

Sd/-
(Prakash Chand Yadav)
Judicial Member

Sd/-
(Chandra Poojari)
Accountant Member

Bangalore,
Dated 20th June, 2024.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

**Asst. Registrar,
ITAT, Bangalore.**