

आयकर अपीलीय अधिकरण 'सी' न्यायपीठ चेन्नई में।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' (SMC) BENCH, CHENNAI**

माननीय श्री मनोज कुमार अग्रवाल ,लेखा सदस्य एवं
माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष।
**BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER
AND HON'BLE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER**

आयकर अपील सं./ ITA No.1884/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-2018)

M/s. Nahar Finance & Leasing Ltd,
Shop No.311, 19-20, Ram Lakhan Chamber,
3rd floor, General Muthiah Mudali Street,
Chennai 600 079.

Vs. The Income Tax Officer,
Corporate Ward 4(2)
Chennai.

[PAN: AAACN 3181G]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by

: None

प्रत्यर्थी की ओर से /Respondent by

: Shri. V. Justin, IRS, JCIT.

सुनवाई की तारीख/Date of Hearing

: 25.11.2024

घोषणा की तारीख /Date of Pronouncement

: 25.11.2024

आदेश / ORDER

PER MANU KUMAR GIRI (Judicial Member)

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi in order No.ITBA/NFAC/S/250/2024-25/1064625546 (1) dated 03.05.2024. The assessment was framed by the Income Tax Officer, Corporate Ward 4(2), Chennai for the assessment year 2017-18 u/s.143(3) r.w.s 147 of the Income Tax Act, 1961 (hereinafter the 'Act'), vide order dated 21.11.2019.

2. Brief facts of the case are that the assessee is a non banking financial company engaged in the business of money lending and finance. The assessee filed its return of income on 19.01.2018 declaring total income of Rs.57,570/-. As per the information available with the department, it was noted that the assessee had deposited cash amounting to Rs.29,71,000/- in various bank accounts during the demonetization period F.Y. 2016-17 relevant to A.Y. 2017- 18 which exceeds the total turnover of Rs.14,65,886/- shown in the ITR by the assessee. Hence, the AO reopened the case of the assessee by issue of notice u/s.148 of the Act after obtaining approval from the competent authority. In response, the assessee filed return of income on 11.04.2019 showing gross receipts at Rs.14,65,886/- and declared net profit of Rs.57,570/-. The AO noted that the assessee filed its original return only after demonetization notices issued to the assessee. Thereafter, the AO issued notices u/s. 133(6) of the Act to Indian Bank, Sowcarpet Branch and Indian Overseas Bank, Wall Tax Road Branch calling for copies of the bank statements for the relevant year. In response, the banks submitted the copies of bank statements. It was shown that the assessee had deposited Rs.14,56,000/- in the Indian Bank and Rs.15,15,000/- in the Indian Overseas Bank during the demonetization period. The assessee was asked to produce ledger extract of the cash transactions made as well as cash book for the F.Y. 2016-17. However, the assessee has failed to produce any details / documentary evidences / sources of cash deposits. Thereafter, the AO issued show cause notice dated 10.10.2019, however, there was no response from the assessee. Hence, the AO made an addition of Rs.29,71,000/- (Rs.14,56,000+ Rs.15,15,000) u/s.69A of the Act to the total income of the

assessee. Aggrieved with the said additions/disallowances, the assessee preferred an appeal before the CIT(A). The CIT(A) vide order dated 31.03.2022 dismissed the appeal of the assessee since the assessee has not submitted any written submissions in support of its grounds of appeal and has only submitted copy of assessment order, grounds of appeal and statement of facts along with Form No.35. Aggrieved, assessee preferred an appeal before the Tribunal. The Tribunal vide order ITA No.576/Chny/2022 dated 30.08.2022 had set aside the order back to the file of the CIT(A) for fresh adjudication after due opportunity of being heard to the assessee. In compliance to the order of the Tribunal, the appeal has been uploaded in the ITBAvideappealNo.NFAC/2016-17/10197982 dated 14/09/2022. The case was fixed for hearing through ITBA on 19.10.2023, 30.10.2023,30.11.2023, 26.12.2023,13.03.2024 and 25.03.2024. Vide hearing notice, the assessee was asked to file Copy of audit report, balance sheet and ITR, PAN data, bank statements, cash flow statements etc. However, the Id. CIT(A) noted that the assessee has claimed that the source of impugned cash deposits is also partly explained out of cash withdrawals of Rs.18 lakhs from Indian Overseas Bank between 03.09.2016 to 26.10.2016. However, no cash flow details have been submitted and even the bank statements of later dates have been submitted 01.04.2020 to 31.03.2021, 01.04.2018 to 07.12.2020 but surprisingly the bank statement of the relevant F.Y. i.e. 01.04.2016 to 31.03.2017 has not been enclosed by the assessee, even though it was clearly called for from the assessee vide NFAC hearing notice dated 19.12.2023. As per the Id. CIT(A) assessee has not discharged its onus of proving the genuineness of its claim despite sufficient

opportunities provided by him. Accordingly, he confirmed the action of the Id. Assessing Officer. Aggrieved, assessee is in appeal before us.

3. Before us, none appeared for the assessee. The Id.DR stated that the assessee is habitual defaulter in not producing the documents required for appellate proceedings hence no lenient view is to be taken in this case and prayed for dismissal of appeal.

4. Though we concur with the submissions of Ld. Sr. Departmental Representative, however, keeping in mind the principle of natural justice and grant another opportunity of hearing to the assessee. Accordingly, the impugned order is set aside and the appeal is restored back to the file of Ld. CIT(A) for fresh adjudication on merits after affording proper opportunity of hearing to the assessee. The assessee is directed to submit all the required documents i.e. copy of audit report, balance sheet and ITR, PAN data, bank statements, cash flow statements etc to substantiate its case forthwith without any fail, failing which Ld. CIT(A) shall be at liberty to proceed with the disposal of the appeal on merits.

5. In the result, appeal filed by the assessee is allowed for statistical purpose.

Order pronounced in the open court on 25th day of November, 2024 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य / ACCOUNTANT MEMBER

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य / JUDICIAL MEMBER

चेन्नई Chennai:

दिनांक Dated : 25-11-2024

KV

आदेश की प्रतिलिपि अग्रेषित /Copy to :

1. अपीलार्थी/Assessee

2. प्रत्यर्थी/Respondent 3. आयकरआयुक्त/CIT, Chennai

4. विभागीयप्रतिनिधि/DR

5. गार्डफाईल/GF