

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

मजनीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य एवं
मजनीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष।
BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM
AND HON'BLE SHRI MANU KUMAR GIRI, JM

आयकर अपील सं. ITA No.899/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-18)

M/s Savery Transport Finance Limited 38, 3 rd Floor, SPL Sriram Nivas, Venkatakrishna Road, Mandaveli, Chennai-600 028.	बनम/ Vs.	ACIT Non-Corporate Circle-6(1) Chennai.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AAACS-5006-M		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Appellant by	:	Shri N. Arjun Raj (Advocate) - Ld.AR
प्रत्यर्थी की ओरसे/ Respondent by	:	Ms. R. Anita (Addl.CIT)-Ld. Sr. DR

सुनवाई की तारीख/ Date of Hearing	:	02-12-2024
घोषणा की तारीख / Date of Pronouncement	:	10-12-2024

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aggrieved by confirmation of certain addition of Rs.14.84 Lacs and denial of deduction u/s 80G for Assessment Year (AY) 2017-18, the assessee is in further appeal before us. The appeal arises out of the order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 01-03-2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.

143(3) r.w.s 147 of the Act on 31-12-2019. Having heard rival submissions, the appeal is disposed-off as under.

2. The assessee is a non-banking finance company. During assessment proceedings, it transpired that the assessee deposited cash of Rs.1586.77 Lacs from 09-11-2016 to 30-12-2016 and accordingly it was directed to establish the source thereof. The assessee furnished various details. It was noted that the cash of Rs.14.84 Lacs was deposited in Specified Bank Notes which was stated to be received back from various borrowers. Notices u/s 133(6) was issued to 108 parties which largely remained un-responded. Considering the same, Ld. AO added the amount of Rs.14.84 Lacs as unexplained investment. The assessee made donation of Rs.60 Lacs to Anna Charitable Trust and claimed 50% deduction u/s 80G. Since no response was received from donee entity u/s 133(6), the same was denied. The Ld. CIT(A) merely endorsed the action of Ld. AO against which the assessee is in further appeal before us.

Our findings and Adjudication

3. From the facts, it emerges that the assessee is engaged in finance business and it is a regulated entity. Its books of accounts are subjected to Tax Audit and it has reflected revenue from operations for Rs.45.31 Crores. The assessee conduct substantial business in cash and it has regular cash inflows and outflows which is evident from assessee's tabulation as extracted in the assessment order. The cash deposits are duly recorded in the cash book and the assessee has sufficient cash balance in the books to make these deposits. The books have not been rejected and no defect has been pointed out in the same. The assessee placed on record complete details of the borrowers who repaid the

amount in cash. The enquiry by Ld. AO has happened after more than 3 years and therefore, merely on the fact that the borrower did not respond to the notice issued u/s 133(6), no adverse inference could be drawn against the assessee. The case law of this Tribunal in Vidhiyasekaran Pradeep Malliraj (ITA No.698/Chny/2022) as referred by Ld. CIT(A) has been distinguished in the case of M/s R.R. Foods (ITA No.1359/Chny/2023 dated 03-07-2024) since in the former case, the assessee could not fully substantiate the source of cash deposit with sufficient documentary evidences. The same is not the case here. Therefore, considering the facts of the present case, we delete the impugned addition and allow the corresponding grounds as raised by the assessee.

4. The issue of deduction u/s 80G stand restored back to the file of Ld. AO with a direction to the assessee to file requisite documents and substantiate the claim. The ground stand allowed for statistical purposes.

5. The appeal stand partly allowed in terms of our above order.

Order pronounced on 10th December, 2024

Sd/- (MANU KUMAR GIRI)	Sd/- (MANOJ KUMAR AGGARWAL)
न्यायिक सदस्य / JUDICIAL MEMBER	लेखासदस्य / ACCOUNTANT MEMBER

चेन्नई Chennai; दिनांक Dated : 10-12-2024
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT Chennai.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF