

**आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई**  
**IN THE INCOME TAX APPELLATE TRIBUNAL, 'A' BENCH, CHENNAI**  
श्री एबी टी वर्की, न्यायिक सदस्य एवं श्री एस. आर.रघुनाथा, लेखा सदस्य के समक्ष  
**BEFORE SHRI ABY T VARKEY, HON'BLE JUDICIAL MEMBER AND**  
**SHRI S. R. RAGHUNATHA, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.371/CHNY/2025

(निर्धारण वर्ष / Assessment Year: 2011-12)

**Shri Karuppannan Kulandaivel,**  
2/4-898, Karungaradu,  
Navapatty (PO), Mettur Taluk,  
Salem – 636 452.

Vs **The Income Tax Officer,**  
ITO Ward 1(8),  
Salem.

**PAN : ANWPK 1060F**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri Srivatsan Ranganathan, CA

प्रत्यर्थी की ओर से/Respondent by

: Shri Keerthi Narayanan, JCIT

सुनवाई की तारीख/Date of Hearing

: 23.04.2025

घोषणा की तारीख/Date of Pronouncement

: 25.04.2025

**आदेश / O R D E R**

**PER S R RAGHUNATHA, AM:**

This appeal by the assessee is filed against the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 26.12.2024 for the assessment year 2011-12.

2. The brief facts of the case are that the assessee is an individual and has not filed his return of income for the assessment year 2011-

12. As per information, the assessee has transactions in his savings

bank account for more than Rs.10 lakhs. Therefore, the AO had reason to believe income chargeable to tax had escaped assessment and hence notice u/s.148 of the Act was issued. Though AO had issued several notices, the assessee remained non-compliant and hence, the AO passed best judgment assessment u/s.144 of the Act by adding the entire cash deposits of Rs.27,49,000/- as unexplained money u/s.69A of the Act. Aggrieved by the order of the Assessing Officer, the assessee preferred an appeal before the Id.CIT(A).

2.1 The Id.CIT(A), NFAC upheld the order of the AO by dismissing the appeal of the assessee, since the assessee has failed to utilise the opportunities for hearing provided on 3 occasions and passed an order dated 26.12.2024.

3. Aggrieved by the order of the Id.CIT(A), NFAC, the assessee preferred an appeal before us.

4. At the outset, the Ld.AR for the assessee submitted that the assessee is an elderly agriculturist. He further submitted that the assessee was outside India during the assessment proceedings and hence, the notices issued by the AO were 'not actually' served on the assessee. Therefore, the assessee was unaware of the notices

issued by the AO and hence could not file his return of income in response to notice u/s.148 due to his absence from India. Before CIT(A), the assessee submitted that the cash deposits were out of sale proceeds of agricultural properties and agricultural incomes. However, the Ld.CIT(A) rejected the claim of assessee stating that no documentary evidences were filed. Since the assessee could not attend the notices issued by the authorities, the Ld.AR prayed for one more opportunity to represent before the AO. The Id.AR also undertaken to appear before the AO from time to time and submit the necessary documents and evidence during the assessment proceedings.

5. Per contra, the Id.DR submitted that the assessee is negligent in responding to the notices of the department and hence prayed for confirming the order of the Id.CIT(A).

6. We have heard the rival parties and perused the material on record and gone through the orders of the lower authorities. We note that the Assessing Officer has passed exparte order by considering the information available with the department and made an addition and the same has been upheld by the Id.CIT(A) - NFAC due to non-participation of the assessee in the first appellate proceedings. Since

the assessee has failed to participate both before the AO as well as the appellate proceedings, we levy the cost of Rs.10,000/- (Rupees Ten Thousand only) to be paid to State Legal Aid Authority, Hon'ble High Court of Madras and produce proof of payment of cost to the Registry within 30 days from the date of receipt of this order. Accordingly, we set aside the order of the Id.CIT(A) to meet the ends of justice and remit the matter back to the file of Assessing Officer by relying on the decision of the Hon'ble Supreme Court in the case of Tin Box Company vs CIT, [2001] 249 ITR 216 (SC) and direct AO to denovo frame the order in accordance to law, after providing reasonable opportunity to the assessee. Needless to say, assessee to be diligent and file written submissions and relevant documents if advised so.

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

Order pronounced in the open court on 25<sup>th</sup> April, 2025 at Chennai.

*Sd/-*  
(एबी टी वर्की)  
**(ABY T VARKEY)**  
न्यायिक सदस्य/Judicial Member

*Sd/-*  
(एस. आर. रघुनाथा)  
**(S. R. RAGHUNATHA)**  
लेखा सदस्य/Accountant Member

चेन्नई/Chennai,

दिनांक/Date: 25.04.2025

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF.