

**IN THE INCOME TAX APPELLATE TRIBUNAL  
VISA KHAPATNAM BENCH, VISA KHAPATNAM**

श्री रवीश सूद, माननीय न्यायिक सदस्य एवं श्री एस बालाकृष्णन, माननीय लेखा सदस्य

**SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER  
AND  
SHRI S BALAKRISHNAN HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No.374/Viz/2025  
(निर्धारण वर्ष/ Assessment Year: 2017-18)

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| Amruthavarshini Dairy Farms Private Limited,<br>Vijayawada.<br>PAN: AADCA9677P<br>(अपीलार्थी/ Appellant) | VS. | Assistant Commissioner of Income Tax,<br>Circle-2(4),<br>Hyderabad.<br>(प्रत्यर्थी/ Respondent) |
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| करदाता का प्रतिनिधित्व/<br>Assessee Represented by           | : | Sri Pawan Chakrapani, CA   |
| राजस्व का प्रतिनिधित्व/<br>Department Represented by         | : | Dr. Aparna Villuri, Sr. AR |
| सुनवाई समाप्त होने की तिथि/<br>Date of Conclusion of Hearing | : | 21/08/2025                 |
| घोषणा की तारीख/<br>Date of Pronouncement                     | : | 24/09/2025                 |

**ORDER**

**PER S. BALAKRISHNAN, AM:**

This appeal filed by the assessee is against the order of the Learned Commissioner of Income Tax (Appeals)-12, Hyderabad (in short "Ld. CIT(A)") in Appeal No. CIT(A), Vijayawada/10005/2020-21, dated 26/03/2025 arising out of the order passed U/s. 143(3) of the Income Tax Act, 1961 (in short "the Act"), dated 09/12/2019 for the AY 2017-18.

2. Brief facts of the case are that the assessee filed its return of income for the AY 2017-18 on 31/10/2017 admitting a loss of Rs. 4,26,21,576/- and book loss of Rs. 3,12,86,886/-. Subsequently, the case was selected for scrutiny under CASS. Thereafter, notices U/s. 143(2) and 142(1) of the Act were issued and in response, the assessee furnished the information as called for by the Ld. AO during the scrutiny proceedings. In respect of the Ld. AO's notice for submission of vouchers, bills and bank statements the assessee submitted that the assessee company is Agri Gold Company and all the records were seized by the Police Department and therefore, no bills/vouchers are available with the assessee and hence, they could not be furnished. In respect of the Ld. AO's query for the reasons of low profit, the assessee has not furnished any reasons for such loss. Considering the assessee's business and in the absence of purchase bills and vouchers in respect of the expenditure claimed, the Ld. AO was of the opinion that since the entire information was not filed by the assessee, the books of account furnished by the assessee company cannot be relied upon and therefore, rejected as per the provisions of section 145(3) of the Act and estimated the net of all expenditure including depreciation @ 2.5% of the total turnover which worked out to Rs. 56,53,121/- and added the same to the total income of the assessee. Further, the Ld. AO by observing that the assessee deposited cash in SBN amounting

to Rs. 8,87,500/- in his bank account but did not furnish any source for the deposit and therefore, the Ld. AO treated Rs. 8,87,500/- as unexplained money in the hands of the assessee and made addition U/s. 69A of the Act. Thus, the Ld. AO determined the assessed income of the assessee at Rs. 66,52,620/- and passed the assessment order U/s. 143(3) of the Act on 09/12/2019. Aggrieved, the assessee preferred an appeal before the Ld. CIT(A).

3. Before the Ld. CIT(A) there was no response from the assessee to the hearing notices issued and none appeared on behalf of the assessee nor filed any written submissions in support of the grounds raised before the Ld. CIT(A). Therefore, the Ld. CIT(A) dismissed the appeal of the assessee and passed ex-parte order. Aggrieved by the order of the Ld. CIT(A), the assessee is in appeal before the Tribunal by raising the following grounds of appeal:

- “1. *The impugned order of the Ld. Authorities below insofar as it is against the appellant is opposed to law, weight of evidence, natural justice, probabilities, facts and circumstances of the Appellant’s case.*
2. *The Ld. CIT(A) ought to have granted opportunity by adhering to principles of natural justice before dismissing the appeal filed by the appellant, under the facts and circumstances of the case.*
3. *The appellant denied himself liable to be assessed on a total income of an amount being Rs. 66,52,620/-, against loss return of Rs. 3,12,86,886/- under the facts and circumstances of the case.*
4. *Whether the Ld. Authorities below are justified in making the addition of an amount being Rs. 1,12,000/- under the rental income, under the facts and circumstances of the case.*
5. *Whether the Ld. Authorities below are justified in making an addition of Rs. 56,53,121/-, estimated income on turnover at 2.5% under the facts and circumstances of the case.*

6. *Whether the Ld. Authorities are justified in making an addition of Rs. 8,87,500/- under section 69A of the Act, under the facts and circumstances of the case.*
7. *Whether the Ld. Authorities below are justified in making an addition of Rs. 8,87,500/-, only on the basis of cash deposit in bank account, under the facts and circumstances of the case.*
8. *The appellant denies the liability to pay interest under section 234B of the Act, in view of the fact that there is no liability to additional tax and determined by the Ld. AO.*
9. *The appellant craves leave to add, alter, delete or substitute any of the grounds urged above.*
10. *In view of the above and other grounds that may be urged at the time of the hearing of the appeal, the appellant prays that the appeal may be allowed in the interest of justice and equity.”*

4. At the outset, the Ld. AR submitted that the Ld. CIT(A) dismissed the appeal of the assessee ex-parte and therefore pleaded for one more opportunity before the Ld. CIT(A). The Ld. AR also submitted that before the Ld. AO also the assessee has clearly explained why the assessee was unable to produce the vouchers, bills and bank statement i.e., due to Police Department raided the premises of all the Directors of the assessee-company and were being arrested by them. The entire offices of the Agri Gold Group Companies were closed and all the records were seized by the Police Department. Therefore, the assessee could not produce the documents as called for by the Ld. AO. Even before the Ld. CIT(A), the assessee has explained the situation of the assessee and made submissions however, the Ld. CIT(A) dismissed the appeal of the assessee ex-parte. Therefore, the Ld. AR pleaded for one more opportunity before the Ld. CIT(A) as per the principles of natural justice.

5. Ld. DR, on the other hand, vehemently opposed to the submissions of the Ld. AR and argued that several opportunities had been provided to the assessee however, on the given dates of hearing, neither the assessee has appeared before the Ld. CIT (A) nor responded to the hearing notices issued. It was further submitted that the Ld. CIT (A) had no other option but to pass ex-parte order based on the materials available on record. Hence, it was pleaded that the order passed by the Ld. CIT(A) does not call for any interference.

6. We have heard the rival submissions and carefully perused the materials on record. On examining the facts of the case, we find that the Ld. CIT (A) had posted the case on several occasions. However, there was no response / representation on behalf of the assessee before the CIT(A) on the dates of hearing nor the assessee filed any details/ submissions before the Ld. CIT(A). Therefore, the Ld. CIT (A) was left with no other option except to adjudicate the appeal ex-parte. The contention of the Ld. AR is that before the Ld. Revenue Authorities the assessee has clearly explained that due to Police Department's raid in the premises of all the Directors of the assessee-company and their subsequent arrest, the assessee was unable to produce the vouchers, bills and bank statement i.e., as sought by the Ld. Revenue Authorities. The entire offices of the Agri Gold Group Companies were closed and all the records were seized by the Police Department.

However, the Ld. Revenue Authorities did not consider the same and dismissed the assessee's appeal. In this situation, the Ld. AR prayed for one more opportunity before the Ld. CIT(A). Considering the peculiar facts and circumstances of the case as well as considering the prayer of the Ld. AR and in the interest of justice, we hereby remit the matter back to the file of Ld. CIT (A) in order to consider the appeal afresh and decide the case on merits by providing one final opportunity to the assessee of being heard. At the same breath, we also hereby caution the assessee to promptly co-operate before the Ld. CIT (A) in the proceedings being the final opportunity failing which the Ld. CIT (A) shall be at liberty to pass appropriate order in accordance with law and merits based on the materials on the record. It is ordered accordingly.

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

Order pronounced in the open court on 24<sup>th</sup> September, 2025.

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| <b>Sd/-</b><br>(रवीश सूद)<br><b>(RAVISH SOOD)</b><br>न्यायिकसदस्य/JUDICIAL MEMBER | <b>Sd/-</b><br>(एस बालाकृष्णन)<br><b>(S BALAKRISHNAN)</b><br>लेखासदस्य/ACCOUNTANT MEMBER |
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Visakhapatnam, dated 24.09.2025.

**OKK/sps**

**आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to:-**

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| 1. | निर्धारिती/The Assessee                                     | : | Amruthavarshini Dairy Farms Private Limited, 40-6-4, Opp. BSNL Office, Revenue Colony, Fortune Murali Park Lane, Vijayawada, Andhra Pradesh-520010. |
| 2. | राजस्व/ The Revenue   | : | Asst. Commissioner of Income Tax, Central Circle-2(4), Aayakar Bhavan, Basheer Bagh, Hyderabad, Telangana-500004.                                   |
| 3. | The Principal Commissioner of Income Tax,                   |   |   |
| 4. | विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण /DR,ITAT, Visakhapatnam. |   |   |
| 5. | The Commissioner of Income Tax                              |   |   |
| 6. | गार्डफ़ाईल / Guard file                                     |   |   |

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam.