

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री जगदीश, लेखा सदस्य के समक्ष
**BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.: 2554 & 2555/CHNY/2025
&
SA Nos. 92 & 93/Chny/2025
निर्धारण वर्ष/Assessment Years: 2018-19 & 2017-18

**Hotel Preethi International
Pvt. Ltd.,**
29, Coonoor Road,
Udagamandalam H.O,
Nilgiris – 643 001.

The Income Tax Officer,
Corporate Ward 2,
Vs. Coimbatore

PAN: AADCH 7776C
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri S. Sridhar (Erode), Advocate
प्रत्यर्थी की ओर से/Respondent by : Ms. Gouthami Manivasagam, JCIT

सुनवाई की तारीख/Date of Hearing : 26.09.2025
घोषणा की तारीख/Date of Pronouncement : 10.10.2025

आदेश /O R D E R

PER MANU KUMAR GIRI, JM:

These appeals filed by the assessee are directed against the orders of the Ld. Commissioner of Income Tax (Appeals)/NFAC, Delhi [hereinafter the "Ld.CIT(A)"] both dated 25.08.2025 arising out of the orders dated 26.03.2024 and 07.03.2025 passed by the Assessing Officer, Assessment Unit, Income Tax Department (hereinafter referred to as the "AO") passed u/s.147 r.w.s. 144

r.w.s.144B of the Income-tax Act, 1961 (hereinafter "the Act") for the Assessment Years 2018-19 and 2017-18 (hereinafter the "AYs").

2. Brief facts of the cases are that the assessee is a private limited company. The return of income for the years under consideration have not been filed by the assessee. The Assessing Officer ('AO') got information that assessee has made huge cash deposits, cash withdrawals, time deposits and receipt of interest income. The Id. AO issued several notices, however, there was no response from the assessee. Hence, the Id. AO completed the assessments ex-parte for the AY 2017-18 and made total addition of Rs.5,43,21,954/- towards undisclosed interest, unexplained credits u/s. 68 and unexplained cash credits u/s.68 and Id. AO also completed the assessments ex-parte for the for AY 2018-19 by best judgment assessment u/s.147 r.w.s.144 r.w.s 144B of the Act by making disallowance of expenditure of Rs.1,67,97,264/-. Assessee challenged the order of assessments before the Id.CIT(A) who dismissed the appeals by holding that 'the assessee failed to submit complete details and also failed to submit proof of appeal fees payment which shows that the appeal has not been pursued effectively'. Aggrieved, assessee is in appeal before us.

3. Before us, the Id. Counsel for assessee submitted that the assessee failed to avail adequate opportunity to file evidence and documents before the AO and Id.CIT(A) to substantiate its explanation regarding disallowance/additions which were culminated into high pitch assessments. Even for this FY the assessee had not done any business and the only income earned was interest on short term deposits. The Id. counsel only pleaded for one more opportunity to substantiate its

cases before the AO. The Id.Sr. DR insisted for the deposit of 20% of demand raised in appeals however, did not controvert the factum of ex-parte orders by the AO and Id.CIT(A). She further stated that the assessee has not responded to various notices issued by the AO and the Ld.CIT(A) and hence no lenient view is to be taken in both cases and prayed for dismissal of the appeals.

4. We find that as per contentions of the assessee that in this year even company has not done any business. However, we note that the AO has passed the ex-parte assessments in both the years which are huge additions. Therefore, keeping in mind the genuine hardship and peculiar facts of the case and the principle of natural justice, we grant another opportunity of hearing to the assessee before the AO itself. We also find that the Id. CIT(A) has only issued defect notice on 23.05.2025 and 07.08.2025 to the assessee. We also find that when there was defect in the appeal then Id.CIT(A) would have not admitted the appeal as defective. There was no need to decide the appeal on merits. Further, we note that there was no specific notice given for the appeal hearings. Therefore, considering the peculiar facts and circumstances in totality for just and proper decision of the case, fair play and substantial justice, the impugned orders are set aside and both the appeals are restored back to the file of Ld. AO for denovo assessments. The Ld.AO shall proceed for denovo assessments after affording proper opportunity of hearing to the assessee. The assessee is directed to substantiate its case with all evidence and documents, if any, forthwith without any fail, failing which Ld. AO shall be at liberty to proceed with the assessment proceedings on merits as per law. We make it clear that all the legal issues are kept open before the Id.AO. The Id. Counsel also ensured

the bench that the assessee will prosecute its cases before the AO diligently. We make it clear that nothing has been said on the merits of the cases.

5. Since we have heard both the appeals and decided as above, the captioned stay petitions become infructuous hence, dismissed.

6. In the result, the appeals filed by the assessee are allowed for statistical purpose and the stay petitions filed by the assessee are dismissed as infructuous.

Order pronounced in the open court on 10th October, 2025 at Chennai.

Sd/-

(जगदीश)

(JAGADISH)

लेखा सदस्य/ACCOUNTANT MEMBER

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य/JUDICIAL MEMBER

चेन्नई/Chennai,

दिनांक/Date: 10.10.2025

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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