

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: CHENNAI

श्री यस यस विश्वनेत्र रवि, न्यायिक सदस्य एवं सुश्री पद्मावति यस, लेखक सदस्य के समक्ष
BEFORE SHRI SS VISWANETHRA RAVI, JUDICIAL MEMBER AND
MS. PADMAVATHY.S, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.3297/Chny/2025
&
S.A No.115/Chny/2025
निर्धारण वर्ष /Assessment Year: 2019-20

Aravindan Rengasamy,
C/o. Sundaram & Narayanan,
Chartered Accountants,
18 Balaiah Avenune,
Luz ChurchRoad, Mylapore,
Chennai – 600 004.
PAN: APUPR 6827B

The Asst. Commissioner of Income
Tax (International Taxation),
Madurai.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Assessee by
प्रत्यर्थी की ओर से /Respondent by

: Mr.K. Meenakshi Sundaram, C.A
: Ms. E.Pavuna Sundari, CIT

सुनवाई की तारीख/Date of Hearing

: 11.12.2025

घोषणा की तारीख /Date of Pronouncement

: 17.12.2025

आदेश / ORDER

PER PADMAVATHY.S, A.M:

This appeal and the stay application by the assessee is against the final order of assessment (in short "AO") passed u/s. 147 r.w.s 144 r.w.s 260 of the Income Tax Act, 1961 (in short "the Act") dated 22.01.2025 for Assessment Year (AY) 2019-20. The assessee raised the following grounds of appeal:

“1. Impugned order is liable to be quashed for the following technical grounds.

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a) *It is a matter covered matter since the 148 Notice dt 29.03.2023 is issued by JAO, which is opposed to the provisions of section 151A r.w. Notification No.S.O. 1466E dt. 29.03.2022.*

b) *148A(b) notice dt. 06.03.2023 is invalid since admittedly only less than 7 days (namely up to 11.03.2023) was given to the assessee to reply, which is opposed to the provisions of section 148A(b).*

c) *Provisions of section 127 r.w.s. 129 are not complied with since the 148 notice dt. 29.03.2023 was issued by ITO, Ward 2(1) Trichy, while the impugned order is passed by a different officer, namely ACIT, Intl Taxation, Madurai.*

2. *Addition of Rs.1,00,000 for Sale of securities from NSE is liable to deleted since the assessee has admitted a Sale of security from NSE for a higher amount of Rs.21,00,000 (being the amount of Sale confirmed by ICICI Bank) in the memo of total income furnished during the course of assessment proceedings, due to which the Id. AO has assessed LTCG of Rs.2,10,741.*

3. *Addition of Rs.1,81,89,797 u/s 69 as Unexplained Investment towards purchase of securities from NSE is liable to be deleted since the assessee has purchased securities from NSE for higher total value of Rs.2,06,94,292 as per the Confirmation from ICICI Bank which are made out of the sources from the Customer Id.57757641 held by the assessee with ICICI Bank, Sri Rangam, Trichy. Submissions to Id AO are furnished in the paper book submitted u/r 18 in in support of this ground.*

4. *Addition of Rs.6,77,28,197 u/s 69 r.w.s 285BA(1) as Unexplained investment, which is purportedly reported by ICICI Bank as mentioned in Item No.9 in the Table in 148A(b) notice dt. 06.03.2023, towards purchase of securities from NSE is liable to be deleted since*

(i) the same ICICI Bank has given a confirmation that the Purchase Value of securities through it is only Rs.2,06,94,292 as per paper book submitted u/r 18; and

(ii) the Risk Management Strategy (RMS) data relied on by the Id. AO in the SCN issued u/s 148A(b) on 06.03.2024 was never

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furnished to the assessee, which is opposed to the principles of natural justice. A sworn affidavit is filed u/r 10 in support of this ground.

5. Prayer In view of the above, it is prayed that the Hon'ble Tribunal may be pleased to :-

a) quash the impugned order; OR

b) alternatively the impugned order may be set aside and remitted back for fresh assessment by providing the RMS data and opportunity to the assessee.”

2. The assessee is an individual and did not file the return of income. The assessee is a Non-Resident Indian employed in UAE with Gulf Drug LLP. The Assessing Officer (A.O) received specific information in the system as per Risk management Strategy formulated by CBDT and based on the information noticed that the assessee had several financial transactions during the year under consideration. Since, the assessee did not file a return of income, the A.O issued a notice u/s. 148A(b) of the Act and passed an order u/s. 148A(d) on 29.03.2023 stating that the assessee's case is fit for reopening. The A.O subsequently issued a notice u/s. 148 of the Act, in response to which the assessee did not file the return of income. The A.O issued notices calling on the assessee to furnish details. The A.O passed the draft assessment order stating that the assessee has not made any submissions with regard to the various financial transactions and therefore, the entire transactions are added as unexplained. The assessee filed a Writ Petition against the draft assessment order of the A.O before the Hon'ble Madras High Court (W.P No.13936 of 2024 dated 27.06.2024) and the Hon'ble High Court has remitted the case back to the A.O to pass a fresh order on merits and accordingly the assessee filed the objections before the DRP against the draft assessment

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order. The assessee also filed some additional evidences with regard to the various financial transactions and the DRP called for a remand report from the A.O. Based on the below observations in the remand report, the DRP dismissed the objections of the assessee:

“6(b). The assessee had received the amount of Rs.4,03,900/- from Life Insurance Corporation India. The assessee stated that this is policy mature amount and which is exempted u/s.10(10D) of the IT Act. For this amount the assessee has not furnished copy of policy document, sum assured and premium paid to verify the claim. He stated that he also received monthly pension amounting to Rs. 1,22,448/- In respect of LIC of India as may be seen from bank statement enclosed. This sum has been included in the computation of total income.

6(i). The assessee stated that he had not made any transaction relating to sale of securities (settled otherwise than by actual delivery or transfer) from NSE for Rs.1,00,000/- as specified in the draft order. The assessee has not furnished any document/confirmation from concern agency to substantiate his claim.

6(k). The assessee stated that he had not purchased the securities (settled otherwise than by actual delivery or transfer) from NSB for Rs.1,81,80,797/- as mentioned in information. In this regard, the assessee has not furnished any document/confirmation from concerned agency to substantiate his claim till date.”

3. The DRP also directed the A.O to make an addition based on "statement of reportable account u/s.285BA(1)" from ICICI Ltd. to the tune of Rs. 6,77,28,197/- on the ground that the assessee has not raised any objection against the addition made by the A.O. The assessee is in appeal before the Tribunal against the final order of assessment passed by the A.O pursuant to the direction of the DRP.

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4. There is a delay of 232 days in filing the appeal before the Tribunal and the assessee filed an affidavit in this regard. The assessee in the petition for condonation of delay has submitted that the assessee has filed the appeal against the final order of assessment inadvertently before the CIT(A). The assessee further submits that he was subsequently advised that the appeal against the order of assessment lies with Tribunal and not CIT(A) and accordingly the assessee withdrew the appeal before the CIT(A). Our attention in this regard was drawn to the appellate order passed by the CIT(A) dated 22.10.2025 dismissing the appeal as withdrawn. The Ld. Authorized Representative (AR) submitted that the assessee subsequently filed the appeal before the Tribunal. The Ld. AR further submitted that the assessee being a Non-Resident Indian for the last 27 years was not aware of the provisions of law and based on what is stated in the demand notice had filed the before the CIT(A) inadvertently. Accordingly, the Ld. AR submitted that the delay in the filing the appeal before the Tribunal is not intentional and prayed that the delay may be condoned. The Ld. DR, on the other hand, vehemently opposed the condonation of delay.

5. Having heard both the parties and perused the material on record, we are of the view that there is a reasonable and sufficient cause for the delay in filing the appeal before the Tribunal. Therefore following the decision of Hon'ble Supreme Court decision in the case of *Collector, Land Acquisition Vs. MST.Katiji & Ors., (167 ITR 471) (SC)*, we condone the delay of 232 days in filing the appeal and admit the appeal for adjudication.

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6. The Ld. Authorized Representative (AR) submitted that ground No.2, 3 & 4 are with regard to the merits of the following impugned additions:

- i. Addition towards sale of securities – Rs.1,00,000*
- ii. Addition towards purchase of securities – Rs. 1,81,80,797*
- iii. Addition based on statement of reportable account u/s.285BA(1) – Rs.6,77,28,197*

7. The ld AR submitted that if the grounds on merits are considered and held in favour of the assessee the legal contentions through other grounds may be left open. With regard to the addition of Rs. 1,00,000/- for sale of securities, the ld. AR submitted that the assessee has admitted the sale of securities to the tune of Rs. 21,00,000/- as confirmed by the ICICI Bank and has declared the LTCG to the tune of Rs. 2,10,741/- from the transactions. The Ld. AR further submitted that the amount of Rs. 1,00,000/- now added is already part of capital gains declared by the assessee and therefore would result in double addition. The Ld. AR regarding the addition of Rs.1,81,80,797/- submitted that the transaction towards which the A.O has made addition is already a part of purchase of securities to the tune of Rs.2,08,96,182/-. The Ld. AR further submitted that the A.O has accepted the genuineness and the source of the purchase of securities from NSDL however has made addition of Rs.1,81,80,797/- based the information collected from NSE. The Ld. AR argued that the amount reported by NSE is already part of the report from NSDL for the reason that there cannot be any direct transactions entered into in NSE and that all the transactions with regard to purchase and sale of security can be carried out only through NSDL. The Ld. AR accordingly submitted that the amount now added is an incorrect

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addition since the A.O has already accepted the entire purchase of securities done through NSDL.

8. With regard to the addition made by the DRP to the tune of Rs.6,77,28,197/- stating that the assessee has not raised any objection, the Ld AR submitted that "statement of reportable account u/s. 285BA(1)" received from ICICI Bank Ltd. is a reflection of the entire debit and credit transactions of the assessee and includes the transactions pertaining to the time deposits and other deposits and withdrawals of the assessee. The Ld. AR drew our attention to Form-61B which is the form in which "statement of reportable account u/s. 285BA(1)" is submitted. The Ld. AR further drew our attention to the finding of the A.O in the remand report where he has accepted the source for the time deposit to the tune of Rs. 5,11,10,000/-. The Ld. AR submitted that the transaction of time deposit is part of "statement of reportable account u/s. 285BA(1)" and therefore, the assessee was under the bonafide belief that the A.O has accepted the submissions due to which the assessee did not raise any objections before the DRP. The Ld.AR further submitted that the amount as stated in "statement of reportable account u/s. 285BA(1)" does not reflect any income of the assessee but is a mere gross total of the transactions and therefore making the addition towards the same is not correct.

9. The Ld. Departmental Representative (D.R), on the other hand, submitted that the assessee has not properly explained the fact pertaining to the additions made by the DRP and has also not substantiated with the

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documentary evidence. Therefore, the Id. DR submitted that the impugned issues can go back to the A.O for verification.

10. We have heard the parties and perused the materials available on record. From the arguments as has been stated herein above of the Id. AR, we notice that the primary contention is that the amount which are added now by the DRP are already part of the transactions which have been considered and accepted by the A.O during remand proceedings. However in our considered view the claim of the assessee that the purchase of securities reported by NSE is already part of the purchase of securities through NSDL reported by ICICI Bank can be accepted only based on factual verification. Therefore we are remitting the impugned addition back to AO for verification of the claim of the assessee based on evidences and if the said claim is found to be correct then the AO is directed to delete the addition made towards purchase of securities from NSE. Similarly, the claim of the assessee that "statement of reportable account u/s. 285BA(1)" in Form-61B is a reflection of the entire transactions and when individual transactions are accepted no addition can be made towards gross total of the transactions also needs factual verification. The claim of the assessee that Rs.1,00,000 added towards sale of securities is contended on the similar grounds and needs factual examination. In view of these discussions, we are remitting the impugned additions towards sale and purchase of securities from NSE and addition towards transactions reported in "statement of reportable account u/s. 285BA(1)" back to the A.O with a direction to examine the claim of the assessee on merits in order to allow the claim in accordance with law. The assessee is directed to file

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necessary details to substantiate the claim and cooperate with assessment proceedings. It is ordered accordingly.

11. Through Ground No.1, the assessee has raising the legal contentions and since we have remitted the impugned issues back to the A.O to examine the issue on merits, the legal contentions have become academic and are left open accordingly.

12. Since, we have remitted the impugned additions back to the AO and allowed the main appeal for statistical purposes, the stay application filed by the assessee has become infructuous. The stay application is thus dismissed accordingly.

13. In the result, the appeal of the assessee is allowed for statistical purposes and the Stay application is dismissed as infructuous.

Order pronounced on 17th day of December, 2025 at Chennai.

Sd/-
(यस यस विश्वनेत्र रवि)
(SS Viswanethra Ravi)

न्यायिक सदस्य / Judicial Member

Sd/-
(पद्मावति यस)
(Padmavathy.S)

लेखा सदस्य /Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 17th December, 2025.

EDN, Sr. P.S

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आदेश की प्रतिलिपि अग्रेषित/Copy to:

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