

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई।
IN THE INCOME TAX APPELLATE TRIBUNAL
CHENNAI BENCH "D", CHENNAI

श्री जॉर्ज जॉर्ज के, उपाध्यक्ष एवं श्री इंटूरी रामाराव, लेखा सदस्य के समक्ष
BEFORE SHRI GEORGE GEORGE K, VICE-PRESIDENT
AND
SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.4044/CHNY/2025

निर्धारण वर्ष / Assessment Year: 2015-16

Arch Tech Building Materials Private Limited, No.52/103, ManikaSalai, Anna Nagar, Cuddalore – 607001 . PAN: AAFAC6075M	V s.	The Income Tax Officer, Ward-1, Cuddalore.
Appellant		Respondent

Assessee by	Mr. R Vijayaraghavan – Advocate
Revenue by	Ms. V Awasthy – JCIT
Date of hearing	17/02/2026
Date of pronouncement	11/03/2026

आदेश / ORDER

PER INTURI RAMA RAO, AM:

This is an appeal filed by the Assessee directed against the order of Id. Commissioner of Income Tax(Appeals)[NFAC] Delhi [‘the CIT(A)’] passed under section 250 of the Income Tax Act, 1961 dated 08.10.2025 for the Assessment Year 2015-16.

2. Briefly, the facts of the case are that the appellant is a Company incorporated under the provisions of the Companies Act, 1956. It is engaged in the business trading of Floor Tiles. No regular return of income under the provisions of section 139 of the Act, was filed by the appellant for the A.Y.2015-16. Based on the information that the appellant company made cash deposits in the current account maintained with IDBI Bank of R.64,06,000/-, the Assessing Officer formed an opinion that the income got escaped assessment to tax. Accordingly, a notice u/s.148 of the Act, was issued on 30.03.2022 after complying with the procedure laid down under section 148A of the Act. The appellant company neither complied with the notice issued u/s.148 of the Act, nor notices issued under section 142(1) of the Act. In the circumstances, the Assessing Officer proceeded with the framing best judgment assessment under section 144 of the Act, vide order dated 08.02.2023 passed under section 147 r.w.s 144 read with section 144B of the Income Tax Act at a total income of

Rs.64,14,000/-. While doing so, the Assessing Officer(AO) made addition of cash deposits in current account of Rs.64,06,000/- as unexplained money of the Appellant Company. The Assessing Officer also made addition of Rs.8,000/- being interest income received from Prism Cement Limited.

3. Being Aggrieved by the above assessment order, appellant preferred appeal before the Id.CIT(A)[NFAC] contesting that Assessing Officer erred in making addition on account of cash deposits in the current account maintained with IDBI Bank as the same represents business receipts on sale of floor tiles etc. However, the Id.CIT(A) dismissed the appeal in *limine* for non-prosecution without entering into the merits of the appeal.

4. Being aggrieved, the appellant society is in appeal before this Tribunal in the present appeal.

5. We heard the rival submissions and perused the material on record. At the outset, we find that the Id.CIT(A) dismissed the

appeal in limine for non-prosecution. We also find that ld.CIT(A) issued notices through ITBA Portal which is not a proper service of notice.

6. In our considered opinion, it is not a valid method and manner of service of notice as specified under the provisions of section 282(1) of the Income-tax Act, 1961 Act and Rule 127(1) of the Income-tax Rules, 1962. Therefore, it is crystal clear that the notices were not served upon the appellant. To fortify our view, we would like to make reference to a decision rendered by the Hon'ble Punjab & Haryana High Court in the case of *Munjal BCU Centre of Innovation and Entrepreneurship Vs. CIT (Exemptions) (2024) 463 ITR 560 (P&H)*, wherein the Hon'ble High Court after making reference to provisions of 282(1) held that service of notice through ITBA portal is not valid service and remanded the matter to AO for *denovo* disposal of case. The relevant paragraphs of the judgment are reproduced below :

“7. We are afraid that we cannot subscribe to the submissions as advanced by the learned counsel for the Revenue-respondent. The provisions of section 282(1) of the Act of 1961 and rule 127(1) of the Income-tax Rules, 1962 provides for a method and manner of service of notice and orders which read as follows :

.....
.....

8. In view of the above, it is essential that before any action is taken, communication of the notice must be done in terms of the provisions as enumerated hereinabove. The provisions do not mention communication to be “presumed” by placing notice on the e-portal. A pragmatic view has to be adopted always in these circumstances. An individual or a company is not expected to keep the e-portal of the Department open all the time so as to have knowledge of what the Department is supposed to be doing with regard to the submissions of forms etc. The principles of natural justice are inherent in the income-tax provisions and the same are required to be necessarily followed.

9. Having noticed as above, this court is of the firm view that the petitioner has not been given sufficient opportunity to put up its plea with regard to the proceedings under section 12A(1)(ac)(iii) of the Act of 1961 and as it was not served with any notice. Therefore, he would be entitled to file his reply and the Department would of course be entitled to examine the same and pass a fresh order thereafter.

10. In view of the above, the writ petition is allowed and the order dated January 16, 2023 (annexure P-5) is quashed and set-aside. The Department would provide an opportunity of hearing to the petitioner and they will also allow the petitioner to appear personally

for the purpose and pass a speaking order independent of the order passed earlier by them on January 16,2023. The same shall be done expeditiously provided the petitioner file his reply within a period of three weeks.”

7. In view of the above legal position, we are of the considered opinion that proper notice(s) of hearing were not served upon the appellant. Therefore, we are of the considered opinion that in the interest of justice, the matter should be remitted back to the file of Id.CIT(A) for *denovo* adjudication after affording reasonable opportunity to the appellant, in accordance with law.

8. In the result, the appeal filed by the assessee stands partly allowed for statistical purposes.

Order pronounced on this 11th day of March, 2026.

Sd/-

(GEORGE GEORGE K)

उपाध्यक्ष /VICE PRESIDENT

पुणे / Chennai; दिनांक / Dated : 11th March, 2026.

SGR

Sd/-

(INTURI RAMA RAO)

लेखा सदस्य/ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT Chennai/Madurai/Coimbatore/Salem.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "डी" बेंच,
चेन्नई / DR, ITAT Chennai.
5. गार्ड फ़ाइल / Guard File.