

**IN THE INCOME TAX APPELLATE TRIBUNAL
SMC "C" BENCH : BANGALORE**

SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER

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| ITA No. 404/Bang/2023 |
| Assessment year : 2017-18 |

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| Smt. Vani Kamineni, D.No.608, A Block, Nandanam Apartment, Upadhya Nagar, HP Petrol Bunk, Vinayaka Sagar, Tirupati – 517 501. PAN: BVWPK 1161L | Vs. | The Income Tax Officer, Ward 1 & TPS, Hospet. |
| APPELLANT | | RESPONDENT |

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|---------------|---|--|
| Appellant by | : | None |
| Respondent by | : | Shri Ganesh R. Ghale, Standing Counsel |

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| Date of hearing | : | 25.07.2023 |
| Date of Pronouncement | : | 31.07.2023 |

ORDER

This appeal is filed by the assessee against the DIN & Order No.ITBA/NFAC/S/250/2022-23/10512248171(1) dated 24.03.2023 of the CIT(Appeals), National Faceless Appeal Centre, Delhi [NFAC], for the AY 2017-18.

2. The brief facts are that the AO issued notice u/s. 142(1) to the assessee for filing return of income, but the assessee did not file the

return. On the basis of information and data gathered during online verification under 'Operation Clean Money', the AO noted that the assessee has deposited demonetized notes of Rs.10,08,000 in her SB and Current account at RBL Bank, Tirupati. The assessee further issued various notices and letters u/s. 142(1) to the assessee which was not complied. Since there was no return filed or proper explanation for the source of deposit of old notes, the AO completed the assessment proceedings as best judgment assessment u/s. 144 of Act. The AO u/s. 133(6) obtained bank statements/details of the assessee from the Bank during the FY 2016-17 and cash deposits during the demonetized period from 09.11.2016 to 30.12.2016. The AO brought the cash deposit of old currency notes of Rs.500 & Rs.1,000 amounting to Rs.10,08,000 to tax as unexplained money u/s 69A and calculated income tax u/s 115BBE of the Act.

3. The AO on further verification of statements of the Saving Bank and Current Accounts noticed that the assessee has made transactions during the year of Rs.89,79,350 and made certain trading business activity, therefore he treated the cash deposits as turnover of the assessee and calculated profit margin on such turnover. Since Rs.10,08,000 on account of deposit of old currency notes has been considered separately as unexplained income, the AO treated the balance of Rs.79,71,350 as assessee's turnover and calculated profit margin @ 8% at Rs.6,37,710 and made addition accordingly.

4. The CIT(Appeals) issued various notices to the assessee and in the absence of any submissions of the assessee in support of grounds of appeal, the CIT(Appeals) decided the appeal on the basis of material on record and dismissed the appeal of the assessee. Aggrieved, the assessee is in appeal before the Tribunal.

5. None appeared for the assessee at the time of hearing. Therefore the appeal is disposed of after hearing the Id. DR and perusing the material on record.

6. We note that the AO has passed order u/s. 144 of the Act since the assessee did not avail the opportunities and comply with the notices/letters issued by the AO. The assessee also did not furnish documents or submissions before the CIT(Appeals) or appeared before the Tribunal at the time of hearing to substantiate her case. In the facts and circumstances of the case and in the interest of justice, I am of the view that one more opportunity is to be provided to the assessee to represent its case. I therefore remit the matter to the AO for fresh consideration and decision in accordance with law, after giving reasonable opportunity of being heard to the assessee. The assessee is directed to produce all the relevant documents in support of its claim and avoid seeking unnecessary adjournment for early disposal of the case and further directed to provide correct address/email id/ telephone numbers for communication from the Income Tax Department.

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

Pronounced in the open court on this 31st day of July, 2023.

Sd/-
(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER

Bangalore,
Dated, the 31st July, 2023.

/Desai S Murthy /

Copy to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.