

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

**माननीय श्री महावीर सिंह, उपाध्यक्ष एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।**  
**BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

आयकर अपील सं./ ITA No.521/Chny/2021  
(निर्धारण वर्ष / Assessment Year: 2017-18)

<b>Anumanpalli Chinnusamygounder Ramasami</b> 1, Nathakattu Thottam, M.Anumanpalli Post, Arachalur, Erode – 638 101.	<b>बनाम/ Vs.</b>	ITO, Ward-2(1), Erode.
स्थायी लेखा सं./जीआइ आर सं./PAN/GIR No. <b>ADMPR-2621-R</b>		
(□ पीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थी की ओरसे/ <b>Appellant by</b>	:	Shri S. Sridhar (Advocate) – Ld. AR
प्रत्यर्थी की ओरसे/ <b>Respondent by</b>	:	Shri ARV. Sreenivasan (Addl. CIT) –Ld. DR
सुनवाई की तारीख/ <b>Date of Hearing</b>	:	12-07-2022
घोषणा की तारीख / <b>Date of Pronouncement</b>	:	03-08-2022

**आदेश / ORDER**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order of learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 28-10-2021 in the matter of assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) of the Act on 28-12-2019. The grounds taken by the assessee read as under:

- 1) The order of the Learned CIT(A) is bad and erroneous in law and against the principles of natural justice.

2) The learned CIT (A) erred in not considering the grounds of appeal and written submissions in proper perspective.

3) The learned CIT (A) erred in not considering "The Specified Bank Notes (Cessation of Liabilities) Act, 2017" in proper perspective.

4) The Learned CIT (A) erred in not considering the fact that the Assessing Officer, without pointing out any single defect in books of account and records of appellant and without rejecting the books of account, assessed the income of appellant under section 68 of the Act, making the assessment under question illegal, arbitrary and without jurisdiction.

5) The Learned CIT (A) erred in not considering the fact that since the appellant recorded the entire bank statements in his books of account, provisions of section 68 of the Act are not applicable in case of appellant.

6) The Learned CIT(A) failed to consider the material fact that the appellant has made both cash sales and credit sales and the same was offered as revenue receipt in the return of income, which means, the sale proceeds were offered and admitted as income; hence the AO is not permitted to make the same amount as addition u/s 68 of the Act, which amount to double addition once as sales and secondly as unexplained cash credit. [Reliance is placed on 189 ITD 608 (Viz) and ITA No:9901/Del/2019 dr.24/03/2021]

And for other reasons that may adduced at the time of hearing, your appellant prays that the appeal be admitted, considered and justice be rendered.

As evident, the assessee is aggrieved by confirmation of certain addition in the impugned order.

2. The Ld. AR assailed the addition of Rs.8.85 Lacs as sustained by the Ld. CIT(A) whereas the Ld. Sr. DR submitted that adequate relief has already been granted by the Ld. CIT(A) in the impugned order. Having hard rival submissions, our adjudication would be as under.

3. The assessee being resident individual declared turnover of Rs.906.06 Lacs and reflected gross profit rate of 1.82%. The assessee is stated to be in the business of yarn in the name and style of M/s. Sri Mahalakshmi Yarn Stores. It transpired that the assessee deposited cash of Rs.46.48 Lacs in Lakshmi Vilas Bank. Out of the said deposit, cash of Rs.33.42 Lacs was deposited in Specified Bank Notes (SBN) post demonetization period. Accordingly, the assessee was required to prove the source of the same. It was observed by Ld. AO that the opening and closing cash balance was less. However, the assessee

had cash balance of Rs.21.09 Lacs on 31/10/2016 and Rs.40.70 Lacs on 08/11/2016 (date of demonetization). The assessee realized debtors of Rs.24.56 Lacs whereas the assessee deposited cash of Rs.33.42 Lacs. Accordingly, the differential of the two i.e. Rs.8.85 Lacs was held to be unexplained and added to the income of the assessee. The addition, upon confirmation by Ld. CIT(A), is in further appeal before us.

4. Having considered factual matrix, we find that the assessee was not able to explain the source of remaining Rs.8.85 Lacs. However, it is observed that the assessee's books are subjected to Tax Audit and the assessee is maintaining books of accounts. The onus to establish the source of cash deposit was on assessee. Considering the same and keeping in mind the submissions made before us, we allow another opportunity to the assessee to establish the source of remaining amount of Rs.8.85 Lacs. For the said limited purpose, the matter is restored back to the Ld. AO for fresh adjudication with a direction to the assessee to substantiate the source.

5. The appeal stands allowed for statistical purposes.

Order pronounced on 03<sup>rd</sup> August, 2022.

**Sd/-**  
**(MAHAVIR SINGH)**  
**उपअध्यक्ष / VICE PRESIDENT**

**Sd/-**  
**(MANOJ KUMAR AGGARWAL)**  
**लेखक सदस्य / ACCOUNTANT MEMBER**

चेन्नई / Chennai; दिनांक / Dated : 03-08-2022  
EDN/-

**आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकर आयुक्त (अपील)/CIT(A) 4. आयकर आयुक्त/CIT 5. विभागीय प्रतिनिधि/DR 6. गार्ड फाईल/GF