

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
'B' BENCH, CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष एवं श्री जी. मंजुनाथ, लेखा सदस्य के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND  
SHRI G. MANJUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: **307/CHNY/2022**

निर्धारण वर्ष /Assessment Year: 2017-18

**Shri Rajesh Kumar Shanthilal,**  
C/o. Shanthi Jewellers,  
Indira Gandhi Road,  
Pallavaram,  
Chennai – 600 043.

**The ACIT,**  
v. Non-Corporate Circle -22(1),  
Tambaram,  
Chennai.

**PAN: AAEPR 6767M**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

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

: Shri J. Prabhakar, CA  
: Shri Guru Bashyam, CIT

सुनवाई की तारीख/Date of Hearing

: 19.09.2022

घोषणा की तारीख/Date of Pronouncement

: 19.09.2022

**आदेश /O R D E R**

**PER MAHAVIR SINGH, VICE PRESIDENT:**

This appeal by the assessee is arising out of the Revision order passed by the Principal Commissioner of Income Tax, Chennai u/s.263 of the Income-Tax Act, 1961 (hereinafter the 'Act'), in Revision PCIT, Chennai-1/Revision-263/100000329499/2022 dated 26.03.2022. The assessment was framed by the Income ACIT, Non-

Corporate Circle 22(1), Tambaram, Chennai for the assessment year 2017-18 u/s.143(3) of the Act vide order dated 11.10.2019.

2. The only issue in this appeal of assessee is against the revision order passed by the PCIT is that the source of availability of cash was explained before the AO and hence, revision order passed by PCIT is not sustainable.

3. We have heard rival contentions and gone through facts and circumstance of the case. The dispute is cash deposit of Rs.1,94,48,000/- in new currency during the demonetization period as against the total cash deposit of Rs.3,77,58,000/- between the period 09.11.2016 to 31.12.2016. The PCIT in his findings recorded the fact as under:-

6. In the online compliance made for source of cash deposit during demonetization period, as sought on the e-filing portal, the assessee had responded for his account in Canara Bank (deposit Rs.6,90,000/-) and HDFC Bank (deposit Rs.3,77,58,000/-) with the same explanation as mentioned supra: i.e. from retail gold jewellery sales and savings scheme collection from multiple parties This explanation was repeated during the present proceedings.

7. Before the undersigned the Authorised Representatives filed extracts from cash book showing opening balance as on 01.04.2016 of Rs.39,84,554/- and on 08.11.2016 of Rs.1,57,03,447/-. The assessee claims to have 22 group chit schemes from which Rs.8.44 Crores was collected in the period from 1.4.2016 to 08.11.2016 and which contributed to the balance of Rs.1.57 crores available as on 08.11.2016. This appears to be at variance with another

list of 329 chit subscribers filed during the present proceedings by the AR, totaling to Rs.3,51,500. This was given as part of the explanation for cash availability on 08.11.2016.

The PCIT after taking all the evidences noted that the above explanation submitted by assessee now needs verification because the AO has not at all carried out any verification and assessee has not at all produced any evidence before the AO during original assessment. The Id.CIT-DR took us through the assessment order that the AO has not at all verified the demonetization cash deposit of Rs.1,94,48,000/- and the total cash deposit of Rs.3,77,58,000/-. Now, assessee before us has filed complete details of cash summary for the period 01.04.2016 to 31.03.2017 i.e., cash deposit during demonetization period also. The assessee had tried to explain but we have no mechanism to verify this availability of cash from the cash book. The Id.counsel for the assessee admitted that the AO has not carried out any verification. As the AO failed to verify these cash deposits made by assessee during demonetization period, we find no infirmity in the revision order. Hence, we confirm the revision order passed by PCIT and direct the AO to verify the explanation of the assessee as regards to availability of cash generated out of sales made and then decide the issue as per law.

4. In the result, the appeal filed by the assessee is dismissed with the above direction.

Order pronounced in the open court on 19<sup>th</sup> September, 2022 at Chennai.

Sd/-

(जी. मंजुनाथ)

**(G. MANJUNATHA)**

लेखा सदस्य /ACCOUNTANT MEMBER

Sd/-

(महावीर सिंह)

**(MAHAVIR SINGH)**

उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,

दिनांक/Dated, the 19<sup>th</sup> September, 2022

**RSR**

आदेश की प्रतिलिपि अग्रेषित/Copy 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.            |