

**आयकरअपीलीयअधिकरण, 'बी, न्यायपीठ,चेन्नई**  
IN THE INCOME TAX APPELLATE TRIBUNAL, **B (SMC)**BENCH : CHENNAI

श्रीमहावीर सिंह, उपाध्यक्ष के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT**

आयकरअपीलसं./I.T.A.No.984/CHNY/2023  
निर्धारणवर्ष/Assessment year : 2015-2016

Shri. ChenniyappanMohanraj,                      **Vs.** The Income Tax Officer,  
10/1, Ayegoundenpalayam,                      Ward 2 (2)  
Pattakkaranpalayam PO,                      Erode  
Nallagoundenpudur,  
PerunduraiTaluk 6380 057.

[PAN AOSPM 9590B]

**(अपीलार्थी/Appellant)**

**(प्रत्यर्थी/Respondent)**

अपीलार्थीकीओरसे/ Appellant by                      : Shri. N. Arjunraj, C.A.

प्रत्यर्थीकीओरसे /Respondent by                      : Shri. G. Suresh, IRS, JCIT.

सुनवाईकीतारीख/Date of Hearing                      : 03.01.2024

घोषणाकीतारीख /Date of Pronouncement                      : 03.01.2024

**आदेश/ O R D E R**

This appeal by assessee is arising out of the order of the Commissioner of Income Tax (Appeals), (in short "the Id. CIT(A)) National Faceless Appeal Centre (NFAC), Delhi in Order No.ITBA/NFAC/S/250/2023-24/1055535597(1) dated 29.08.2023. The assessment was framed by the Income Tax Officer, Ward 2(2), Erode for the assessment year 2015-

2016 u/s.143(3) of the Income Tax Act, 1961 (hereinafter 'the Act'), vide order dated 28.12.2017.

**2.** The only issue in this appeal of assessee is as regards to the order of Id. CIT(A) confirming the action of the Id. Assessing Officer in making addition of unexplained investments u/s.69 of the Act being unaccounted purchase of machinery at ₹40,69,290/-.

**3.** Brief facts of the case are that assessee had not explained the source of money for purchase of machinery. As per the assessment order, the Assessing Officer made an addition of unaccounted purchases u/s.69 of the Act as unexplained investment of ₹40,69,290/-. Aggrieved, assessee preferred an appeal before the Id. CIT(A).

**4.** The assessee before Id. CIT(A) filed details and Id. CIT(A) accepted the explanation of the assessee with regards to investments made by taking loan from TMB bank of ₹16,50,000/- and other loan from TMB bank of ₹1,50,000/- and thereby deleted the addition of ₹18,00,000/- and balance explanation given by the assessee was rejected and restricted the addition at ₹22,69,290/-. Aggrieved, now the assessee is in appeal before the Tribunal.

5. I have heard rival contentions and gone through facts and circumstances of the case. As regards to balance addition sustained by

6. the Id. CIT(A) of ₹22,69,290/-, assessee explained that the amounts received and investments made as under:-

<i>Cash gift received from father dated 20.06.2014</i>	<i>7,00,000/-</i>
<i>Sale of</i>	
<i>(i) Power loom dated 20.05.2014.</i>	<i>4,63,000/-</i>
<i>(ii) Old Auto power loom dated 20.06.2014</i>	<i>7,00,000/-, ₹1,90,000/-</i>
<i>(iii) Old Auto loom dated 20.06.2014</i>	<i>2,50,000/-</i>
<i>(iv) Old Auto loom dated 21.06.2014</i>	<i>1,00,000/-</i>
<i>(v) Old Auto loom dated 23.06.2014</i>	
<i>Out of available bank balance (own fund)</i>	<i>2,40,371/-</i>

Ld. Counsel for the assessee stated that there is a bank balance of ₹2,40,371/- available on the date of purchase of machinery and the investment was made after withdrawal of the same. I found that amount is explained and hence the addition of Rs.2,40,371/- is deleted. Balance addition of ₹20,28,919/- assessee had tried to explain the source as assessee had received cash gift of ₹7,00,000/- from his father and sale of old auto looms of ₹13,28,919/-. After going through the orders, I had noted that none of the authorities below have examined the source properly. Hence, I restore this back to the file of the Assessing

Officer who will examine the source to the extent of ₹20,28,919/- and then re-decide the issue after giving opportunity of being heard to the assessee.

7. In the result, the appeal of the assessee in ITA No.984/CHNY/2023 for assessment year 2015-2016 is partly allowed for statistical purpose.

Order pronounced in the open court at the time of hearing on 3<sup>rd</sup> day of January, 2024, at Chennai.

Sd/-  
(महावीरसिंह )  
**(MAHAVIR SINGH)**  
उपाध्यक्ष/VICE PRESIDENT

चेन्नई/Chennai

दिनांक/Dated:03.01.2024.

KV

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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