

आयकर अपीलीय अधिकरण, बी न्यायपीठ,चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL, 'B' (SMC) BENCH : CHENNAI

श्री महावीर सिंह, उपाध्यक्ष के समक्ष
BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT

आयकर अपील सं./I.T.A. No.1576/CHNY2023
निर्धारण वर्ष/Assessment year : 2017-2018

Sri Velmurugan Finance,
No.137B, Jalakandapuram Main
Road,
Tharamangalam Omalur Tk,
Salem 636 502.

Vs. The Income Tax Officer,
Ward 1(8)
Salem.

[PAN ACXFS 6285J]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Ms. S. Sree Lakshmi Valli, Adv
प्रत्यर्थी की ओर से /Respondent by : Shri. D Hema Bhupal, IRS, JCIT.

सुनवाई की तारीख/Date of Hearing : 21.02.2024

घोषणा की तारीख /Date of Pronouncement : 21.02.2024

आदेश/ ORDER

This appeal by assessee is arising out of the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi in Order No.ITBA/NFAC/S/250/2023-24/1057337791 (1), dated 25.10.2023. The assessment was framed by the Income Tax Officer,

Ward 1 (8), Salem for the assessment year 2017-2018, u/s.144 of the Income Tax Act, 1961 (in short 'the Act') vide order dated 05.12.2019.

2. The only issue in this appeal of assessee is against the order of the Id. CIT(A) confirming the action of the Id. Assessing Officer in making addition of cash deposits made during demonetization period in specified bank notes amounting to Rs.10,50,000/- u/s.69A of the Act.

3. I have heard the rival contention and perused the material on record. The Id. Assessing Officer in his assessment order noted that assessee has made cash deposit of Rs.10,91,500/- during demonetization period i.e. 9.11.2016 to 30.12.2016 in specified bank notes in demonetized currency. The Id. Assessing Officer has issued various show cause notices which was demonstrated in the assessment order in page 3 in the tabular chart and only one show cause notice dated 13.08.2019 was complied by the assessee by filing return of income on 25.07.2019 and filed written submission also. As per this reply, assessee explained the nature of business, filed VAT returns and comparative date of cash deposits but could not file books of accounts, partnership deed and money lending registration certificate proving that assessee is doing finance

business as claimed by him. According to the Id. Assessing Officer assessee has not explained the source of cash deposits and hence he added the cash deposits in specified bank notes during demonization period to the extent of Rs.10,50,000/- u/s.69A of the Act. The Id. CIT(A) also confirmed the action of the Id. Assessing Officer, as assessee could not substantiate his claim despite various opportunities. Assessee only filed written submissions through e-proceedings portal on 18.02.2021, which is reproduced in the order of the Id. CIT(A). Since assessee could not provide evidence before Id. CIT(A) he confirmed the action of the Id. Assessing Officer. Aggrieved, assessee proffered an appeal before the Tribunal.

4. I have considered the assessment order and order of the CIT(A) and argument made by the Id. Counsel for the assessee and also Senior Departmental Representative. I have noted from the assessment order that assessee had tried to explain the cash deposits to the extent of Rs.8,00,000/- claimed to have withdrawn from Indian Bank on 28.10.2016 and Id. Id. Assessing Officer should have verified the same from the bank account. Even otherwise, it seems that the claim of the assessee was not properly examined. Hence I set aside the orders of the Id. Assessing Officer and that of Id. CIT(A) and remand the matter back to the file of the Id. Assessing Officer for fresh adjudication.

5. In the result, the appeal of the assessee in ITA No.1576/CHNY/2023 for assessment year 2017-2018 is allowed for statistical purpose.

Order pronounced in the open court at the time of hearing on 21st day of February, 2024, at Chennai.

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

चेन्नई/Chennai

दिनांक/Dated:21.02.2024.

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

