

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'B' BENCH, CHENNAI
श्री वी दुर्गा राव न्यायिक सदस्य एवं श्री जी. मंजुनाथा, लेखा सदस्य के समक्ष
Before Shri V. Durga Rao, Judicial Member &
Shri Manjunatha, G., Accountant Member

आयकर अपील सं./I.T.A. No.1571/Chny/2023
निर्धारण वर्ष/Assessment Year: 2017-18

Ramaswamy Akilandeswari,
Old No. 16, New No. 35,
Ganapathy Street, West Mambalam,
Chennai 600 033.

Vs. The Income Tax Officer,
Non Corporate Ward 15(1),
Chennai.

[PAN:AIBPA6254B]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri R. Venkata Raman, C.A.
प्रत्यर्थी की ओर से/Respondent by : Shri D. Hema Bhupal, JCIT
सुनवाई की तारीख/ Date of hearing : 27.03.2024
घोषणा की तारीख /Date of Pronouncement : 05.04.2024

आदेश / O R D E R

PER V. DURGA RAO, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order of the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 27.10.2023 for assessment year 2017-18.

2. Brief facts of the case are that the assessee filed the return of income for the assessment year 2017-18 on 28.03.2018 admitting income of ₹.5,00,620/-. The case was selected for scrutiny assessment under CASS. The Assessing Officer issued statutory notices followed by

questionnaires which were duly served on the assessee. There were no compliances on part of the assessee to such notices. Thereafter, one more notice under section 142(1) of the Income Tax Act, 1961 ["Act" in short] was issued by the Assessing Officer to the assessee on 17.09.2019. In response to the notice under section 142(1) of the Act dated 17.09.2019, the assessee furnished VAT returns, bank statements, financial statements etc. After considering the assessee's submissions, the Assessing Officer issued a show cause notice to the assessee. In response to the show cause notice, the assessee submitted his reply before the Assessing Officer. The assessee has provided details to reconcile the sale and purchases shown in the P&L account with that of VAT Return. On verification of the VAT returns, the Assessing Officer found that the total purchases were ₹.8,56,39,101/-, whereas in the P&L A/c the assessee had shown purchases at ₹.8,73,11,348/-, the difference being ₹.16,72,247/- had been shown as other purchases by the assessee. The assessee had produced invoice for purchase of ₹.10,60,174/- which were omitted to be included in the VAT return. Hence, the Assessing Officer added the difference of ₹.6,12,073/- to the total income of the assessee. The Assessing Officer further noticed that the assessee had made cash deposits in the banks during the period post announcement of demonetization i.e., from 09.11.2016 to 30.12.2016

aggregating to ₹.58,24,490/- in the Corporation Bank, Shastri Nagar Branch. Out of the sum of ₹.58,24,490/-, the assessee had deposited SBN (demonetized) notes of Rs.1000/- and Rs.500/- on various dates which totalled to ₹.18,36,500/-. The Assessing Officer added the sum of ₹.18,36,500/- to the total income of the assessee under section 69A of the Act as the assessee had failed to furnish source of cash deposited in SBN of ₹.18,36,500/- treating the same as unexplained money.

3. The assessee carried the matter in appeal before the Id. CIT(A). After considering the grounds of appeal and supporting materials uploaded along with Form 35 as well as written submissions dated 25.10.2023, the Id. CIT(A) decided the issues on merits and confirmed the assessment order passed by the Assessing Officer.

4. On being aggrieved, the assessee is in appeal before the Tribunal. The Id. counsel for the assessee has submitted that the assessee may be afforded one more opportunity for filing further explanation to substantiate the claim of the assessee before the Id. CIT(A)

5. On the other hand, the Id. DR supported the order passed by the authorities below.

6. We have heard both the sides, perused the materials available on record and gone through the orders of authorities below. Against the additions made in the assessment order, the assessee preferred an appeal before the Id. CIT(A). Against the notice issued by the Id. CIT(A), the assessee has filed written submissions dated 25.10.2023. After considering the written submissions of the assessee, the Id. CIT(A) has decided the issues by confirming the additions made by the Assessing Officer. Since the Id. counsel has prayed for affording one more opportunity to substantiate the claims of the assessee, to meet the ends of natural justice, we remit the matter back to the file of the Id. CIT(A) with a direction to afford one more opportunity of being heard to the assessee and after considering the submissions/explanations of the assessee, the Id. CIT(A) shall decide the issues on merits in accordance with law.

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

Order pronounced on 05th April, 2024 at Chennai.

Sd/-
(MANJUNATHA, G.)
ACCOUNTANT MEMBER

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Chennai, Dated, 05.04.2024
Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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