

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

श्री यस यस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष
BEFORE SHRI SS VISWANETHRA RAVI, JUDICIAL MEMBER AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1314/Chny/2023
निर्धारण वर्ष /Assessment Year: 2017-18

Soundarapandian Edison Amal Raj,
17/9, Pillyar Koil Street,
Gandhi Nagar, Saligramam,
Chennai – 600 093.
[PAN: AAHPE-7232-M]

The Dy. Commissioner of Income Tax,
Non Corporate Circle-8(1),
Chennai.

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

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

: Shri R. Viswanathan, Advocate
: Shri ARV Srinivasan, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 23.04.2024

घोषणा की तारीख /Date of Pronouncement

: 30.04.2024

आदेश / ORDER

PER AMITABH SHUKLA, A.M :

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 [hereinafter "CIT(A)"] dated 19-10-2023 in the matter of assessment framed by Ld.

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Assessing Officer [AO] u/s. 143(3) of the Act on 21-12-2019. The grounds raised by the assessee are as under:

1. The order dated 17.10.2023 of the Learned CIT(A) faceless authority in ITA DIN & Order No: ITBA/NFAC/S/250/2023-24/1057222872(1) for the Assessment year AY 2017-2018 is contrary to facts, opposed to law and untenable.

2. Ld CIT(A) faceless grossly erred in not examining the details cash deposits by the students filed in the Appellate proceedings.

3. The learned Assessing Officer erred in adding the cash deposits collected from the students who have directly deposited the cash during the demonetization period.

3.1 The Ld CIT(A) and Ld AO further grossly erred in not considering the cash deposits during the entire year and disallowing the deposits only during demonetization period.

3.2 The Ld CIT(A) and Ld AO ought to have considered that the Appellant is carrying on training of Students in various Centres across the State.

3.3 Ld AO ought to have considered that the business model is collecting cash from the Students in the earlier years and subsequent years.”

2. All the above three grounds are revolving around the central controversy of addition of cash deposit of Rs. 40,80,787/- and hence are adjudicated together. The brief facts of the case are that the A.O noted there were cash deposits in assessee's bank account during the demonetization period from 09.11.2016 to 31.12.2016 amounting to Rs. 19,44,419/-. The A.O also noted that there were total cash deposits of Rs. 40,80,787/-. It is the case of the A.O that the assessee failed to file any cash book for verification of cash of deposits and

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merely submitted that the cash represents fees collected from students and which was directly deposited by their parents in assessee's bank accounts. For want of supportive evidence, the A.O met the addition of Rs. 40,80,787/-.

3. The first appellate authority wholly concurred with the findings of the A.O and dismissed assessee's appeal. Aggrieved by the order, the assessee is in appeal before the Tribunal.

4. During the course of present proceedings, the Ld. A.R of the assessee reiterated the same set of arguments and heavily relied upon documents filed before lower authorities. The assessee submitted that as per its present business practices, the students / their parents are permitted to directly deposit the requisite fees into the indicated bank accounts of the assessee. It was thus stated that the said statements assume the status of cash book of the assessee and which was filed before the A.O.

5. The Ld. D.R vehemently argued in favour of order of authorities below. It was submitted that even the details, stated by the assessee to be in the nature of cash book, filed by the assessee suffer from inconsistencies like no names of persons are clearly evident.

6. We have heard rival submissions in the light of facts of the case and evidences placed on record. It is noteworthy that the A.O has written in the opening para of the order that the inquiry letters were issued to the assessee with the objective of inquiring the cash deposits made during the demonetization period. In that scheme of things, the A.O ought to have made addition, if any of Rs. 19,44,419/- being the cash deposits appearing in assessee's account qua the demonetization period and not of entire cash deposits. Be that as it may, it is seen that there are instances in the cash details filed by the assessee where specific details of the depositors are not available. We hold the view that justice would be met if the matter is restored back to the file of A.O for examining the cash deposits in detail. The order passed by the A.O is set aside for fresh adjudication. The A.O is directed to verify the cash deposits of the assessee in detail and pass an assessment order afresh in accordance with law. The assessee is directed to render all cooperation to the A.O in this regard. Hence, the appeal filed by the assessee is allowed for statistical purposes.

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

Order pronounced on 30th April, 2024.

Sd/-

(यस यस विश्वनेत्र रवि)

(SS Viswanethra Ravi)

न्यायिक सदस्य / Judicial Member

Sd/-

(श्री अमिताभ शुक्ला)

(Amitabh Shukla)

लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 30th April, 2024.

EDN/-

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

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