

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

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI MANU KUMAR GIRI, HON'BLE JUDICIAL MEMBE AND
SHRI S. R. RAGHUNATHA, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: **962/Chny/2024**

निर्धारण वर्ष / Assessment Year: 2017-18

Associated Electronics,
8/98, Race Course,
Coimbatore – 641 018.

[PAN: AAEFA-9561-C]

(अपीलार्थी/Appellant)

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

सुनवाई की तारीख/Date of Hearing

घोषणा की तारीख/Date of Pronouncement

Income Tax Officer,
v. Non-Corporate Ward -1(1),
Coimbatore.

(प्रत्यर्थी/Respondent)

: Ms. Hema Muralikrishnan, Advocate
: Shri. D. Hema Bhupal, JCIT

: 24.06.2024

: 26.06.2024

आदेश / O R D E R

PER S. R. RAGHUNATHA, ACCOUNTANT MEMBER:

This appeal by the assessee is filed against the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, for the assessment year 2017-18, vide order dated 07.02.2024.

2. The CIT(A) has erred in confirming the AO's order on the following issues:

(i) arriving income @8% of the turnover i.e., Rs.16,02,892/- and

(ii) cash deposits treated as unexplained investment u/s. 69A of the Act.

3. The brief facts are that the assessee is a firm had not filed a return of income for the AY 2017-18. Based on the information available with the Department, the assessee has total sales of Rs.2,12,98,519/- which includes Rs.12,62,360/- of cash deposits made during the demonetization period. Notice u/s. 142(1) dated 09.03.2018 was issued to assessee to file its return of income. The assessee file return of income for the AY 2017-18 declaring a loss of Rs.32,87,143/- on 23.09.2019. The AO rejected the return of income treating it as invalid since the same was not filed within stipulated time. During the course of assessment proceedings, the assessee submitted the explanations in response to show cause notice issued by the AO. Ignoring the reply filed by the assessee the AO passed the order by adding 8% of the turnover as the income of the assessee and cash deposits during the demonetization period treating it as unexplained investment. Aggrieved by the order of the AO, assessee preferred an appeal before the Id.CIT(A).

4. The Id.CIT(A) had issued notices granting opportunities to the assessee to appear for hearing. However, the assessee had not responded. The Id.CIT(A) has dismissed the appeal by passing an order dated 17.12.2019 without considering the merits of the case. Aggrieved by the order of the Id.CIT(A), the assessee is before us.

5. The Id.AR stated that the Id.CIT(A) has erred in dismissing the impugned order without discussing the merits of the case, is erroneous in law and prayed for remanding the matter back to the Id.CIT(A) .

6. The Id.DR did not raise any objections for the same.

7. We have heard both the parties and gone through the order of the Id.CIT(A). It is noted that the Id.CIT(A) has not adjudicated the appeal based on the merits of the case and has dismissed the appeal. To meet the ends of justice, we remit back the appeal to the file of the Id. CIT(A) for denovo adjudication. We direct the assessee to appear and at liberty to submit the relevant details before the Id.CIT(A) for adjudication of the case.

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

Order pronounced in the open court on 26th June, 2024 at Chennai.

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य/**Judicial Member**

Sd/-

(एस. आर. रघुनाथा)

(S. R. RAGHUNATHA)

लेखासदस्य/**Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated, the 26th June, 2024

JPV

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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