

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

माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री
एस.आर. रघुनाथा, लेखा सदस्य के समक्ष

**BEFORE HON'BLE SHRI MANU KUMAR GIRI, JM AND
SHRI S.R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.: **931/CHNY/2024**

निर्धारण वर्ष/Assessment Year: 2021-2022

Saravanan Palaniappan,
45/21, Poes Garden,
Teynampet,
Chennai 600 086.

Vs.

The Assistant Commissioner of
Income Tax,
Central Circle 2(4)
Chennai.

PAN: AYEPP 4761H

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri. R. Venkata Raman, C.A.

प्रत्यर्थी की ओर से/Respondent by

: Shri. V. Nandakumar, IRS, CIT.

सुनवाई की तारीख/Date of Hearing

: 24.06.2024

घोषणा की तारीख/Date of Pronouncement

: 26.06.2024

आदेश / O R D E R

PER MANU KUMAR GIRI (Judicial Member)

This appeal filed by the assessee is directed against the order of the Ld. Commissioner of Income Tax (Appeals)[CIT(A)] Chennai-19 dated 21.02.2024 for Assessment Year 2021-22.

2. Assessee is an individual and has filed the return of income. A search was conducted in the case of Kallal group on 11.03.2021. During assessment

proceedings assessee failed to explain sources for the expenditure, loan, investment etc.. Therefore, the AO has passed order under section 144 of the Income Tax Act, 1961 (In short 'Act') dated 27.09.2022 and made various additions and assessed the income at Rs.81,58,86,115/- which includes unexplained expenditure, unexplained cash, unexplained loan, unexplained investment in gold jewellery and silvers items and income from other sources.

3. Further, the appellant filed the appeal against the order under section 144 of the Act dated 27.09.2022 before the Ld. CIT(A) wherein the assessee did not appear before the first appeal authority. Accordingly, the assessment was confirmed on merits against which assessee is in further appeal before us.

4. At the outset, Ld. Counsel for the appellant submitted that Ld. CIT(A) had not followed the principles of natural justice. Ld. Counsel for the appellant further prayed that if an adequate opportunity of hearing is given to appellant, appellant would prosecute its case properly before the Ld. CIT(A). The Ld. Sr. DR pleaded for dismissal of the appeal on the ground that the assessee failed to appear before the Id. first appellate authority.

5. Though we concur with the submissions of Ld. Sr. DR however, keeping in mind the principle of natural justice we deem it fit to grant another opportunity of hearing to the assessee. We also find that a detailed reply was filed before the Id.CIT(A), however the same was not at all dealt by the Id.CIT(A) on merits. Accordingly, the impugned order is set aside and the

appeal is restored back to the file of Ld. CIT(A) for adjudication on merits after affording proper opportunity of hearing to the assessee. The assessee is directed to substantiate its case forthwith without any fail, failing which Ld. CIT(A) shall be at liberty to proceed with the disposal of the appeal on merits.

6. In the result, appeal filed by the assessee is allowed for statistical purpose.

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

Sd/-

एस.आर. रघुनाथा

(S.R. RAGHUNATHA)

लेखा सदस्य/ ACCOUNTANT MEMBER

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य / JUDICIAL MEMBER

चेन्नई/Chennai.

दिनांक/Dated, the 26th June, 2024

KV

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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