

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

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

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

आयकर अपील सं./ITA Nos. **1289 & 1290/CHNY/2024**  
निर्धारण वर्ष/Assessment Years: 2015-16 & 2016-2017.

Dorairaj,  
GRK Estates  
90/92, Beach Road,  
Vannarapalayam,  
Cuddalore 607 001.

**PAN: ACPMD 1216B**

(अपीलार्थी/Appellant)

Vs.

The Assistant Commissioner of  
Income Tax,  
Cuddalore Circle,  
Cuddalore.

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by

: Shri. N. Arjunraj, Advocate

प्रत्यर्थी की ओर से/Respondent by

: Shri. ARV Srinivasan, IRS, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 16.07.2024

घोषणा की तारीख/Date of Pronouncement

: 26.07.2024

**आदेश /ORDER**

**PER MANU KUMAR GIRI (Judicial Member)**

These two appeals filed by the assessee are directed against the separate orders of the Ld. Commissioner of Income Tax(Appeals)(NFAC) Delhi [CIT(A)] dated 27.03.2024 for Assessment Year 2015-16 and dated 20.03.2024 for Assessment Year 2016-17.

2. Assessee is an individual and filed his returns of income for AY 2015-16 on 31.10.2015 declaring the total income of Rs.21,93,110/- and for AY

2016-17 on 17.10.2016 declaring the total income of Rs.31,91,310/- . The case was selected for limited scrutiny through CASS for the reasons mismatch of sales turnover reported in Audit Report and ITR, large increase in unsecured loans during year and large cash deposits in savings bank account. The assessing officer ('AO' in short) while framing assessment u/s 143(3) r.w.s 254 dated 28.09.2021 for AY 2015-16 made an addition of Rs.54,00,000/- on account of unsecured loan u/s 68 of the Act whereas in AY 2016-17 vide order dated 24.12.2018 u/s 143(3) made an addition of Rs.2,13,00,000/- on account of unsecured loan u/s 68 of the Act. Being aggrieved assessee challenged the aforesaid orders u/s 143(3) r.w.s 254 dated 28.09.2021 and u/s 143(3) dated 24.12.2018 of the Income Tax Act, 1961 before the Id.CIT(A) wherein the assessee has not given proper chance to substantiate and prosecute the appeal hence, the Id.CIT(A) dismissed the appeal ex-parte on merits.

3. At the outset, Ld.AR for the appellant submitted that Ld. CIT(A) had not properly followed the principles of natural justice. Ld. Counsel for the appellant further prayed that if an adequate opportunity of hearing is given before Id.CIT(A), assessee will substantiate and prosecute the appeal properly. The Ld. Addl.CIT-DR relied upon order of Id.CIT(A) and prayed for dismissal of appeal.

4. We have gone through the orders of lower authorities and submissions addressed by the parties before us. We find that Id.CIT(A) has not given effective opportunity of hearing to appellant both cases to substantiate and prosecute the appeals. We also observe that in AY 2015-16, all the

proceedings before AO were conducted during Covid-19 pandemic when entire globe was under fear & panic situation. Similarly, in AY 2016-17, only three hearings were provided to the assessee on 19.01.2021 i.e; during Covid-19 period and on 03.11.2023 and 12.03.2024 i.e; just 8 days before passing the impugned order. Therefore, we are of the considered view that in these cases ld.CIT(A) has not observed the principles of natural justice. Accordingly, in the light of aforesaid factual position and in the interest of justice, we deem it fit to set aside the impugned order to the file of Ld. CIT(A) for denovo adjudication of appeal on merits. The ld.CIT(A) will provide proper opportunity of hearing to the assessee during the hearing of the appeal afresh. 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 as per law.

5. In the result, both appeals filed by the assessee are allowed for statistical purpose.

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

**Sd/-**

**एस.आर. रघुनाथा  
(S.R. RAGHUNATHA)**

**लेखा सदस्य/ ACCOUNTANT MEMBER**

चेन्नई/Chennai,

दिनांक/Dated, the 26th July, 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.

**Sd/-**

**(मनु कुमार गिरि)  
(MANU KUMAR GIRI)**

**न्यायिक सदस्य / JUDICIAL MEMBER**