

**आयकर अपीलीय अधिकरण “ए” न्यायपीठ चेन्नई में।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“A” BENCH, CHENNAI**

**माननीय श्री महावीर सिंह, उपाध्यक्ष एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।**  
**BEFORE HON'BLE SHRI MAHAVIR SINGH, VP AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं. ITA No.1327/Chny/2024**  
**(निर्धारण वर्ष / Assessment Year: 2017-18)**

<b>Shri Maddipatla Chandrasekar Vijayakumar</b> #369, Z Block Pushaker Villa, 10 <sup>th</sup> Street, Anna Nagar, Chennai-600 040.	<b>बनाम/ Vs.</b>	<b>ITO</b> Ward-1(1) Thiruvallur.
<b>स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AXRPK-2390-K</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकी ओरसे/ <b>Appellant by</b>	:	Shri M. Murugaboopathy (Advocate)-Ld. AR a/w assessee-in-person
प्रत्यर्थीकी ओरसे/ <b>Respondent by</b>	:	Ms. Samantha Mullamudi (Addl.CIT) -Ld. Sr. DR

सुनवाईकी तारीख/ <b>Date of Hearing</b>	:	23-07-2024
घोषणाकी तारीख / <b>Date of Pronouncement</b>	:	08-08-2024

**आदेश / ORDER**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 14-12-2021 in the matter of an assessment framed by Ld. Assessing Officer [AO] *on best judgment basis* u/s. 144 of the Act on 23-12-2019.

2. Upon perusal of assessment order, it could be seen that the assessee deposited cash in bank accounts but did not file any return of income which led Ld. AO to estimate the income on best judgment basis. The assessee filed return only on 30-08-2019 offering income u/s 44AD on gross receipts of Rs.131.92 Lacs. The return was held to be invalid return. It was noted by Ld. AO that total deposit and credit entries aggregated to Rs.120.04 Lacs out of which amount of Rs.15.71 Lacs was deposited during demonetization period. The Ld. AO treated the sum of Rs.15.71 Lacs as unexplained money u/s 69A. On the balance turnover, Ld. AO estimated income @8%. Finally, the income was determined at Rs.25 Lacs. The Ld. CIT(A) confirmed the same since the assessee failed to appear during first appellate proceedings. Aggrieved, the assessee is in further appeal before us.

3. The registry has noted a delay of 840 days in the appeal, the condonation of which has been sought by the assessee. The assessee appeared before the bench and submitted that he being small trader, was not well versed with Income tax provisions and fully dependent on consultant for Income Tax matters. An affidavit to that effect has been placed on record. The Ld. AR pleaded for condonation of delay and also pleaded for acceptance of estimation of 8% as offered by him. The Ld. Sr. DR vehemently opposed condonation of delay and pleaded for dismissal of the appeal.

4. Considering the background of the assessee and the pleadings made before us, the substantial justice demand that the appeal be admitted. Therefore, we accept the prayer of the assessee. At the same time, we find that artificial bifurcation of sales turnover for pre-demonetization and post-demonetization period was without any logic or

reasoning. The assessee has deposited regular cash throughout the year. In such a case, it would be reasonable to estimate the income of the assessee @10% of admitted turnover of Rs.131.92 Lacs. The same would be assessed as business income only. We order so. The Ld. AO is directed to re-compute the income of the assessee.

5. The appeal stand partly allowed.

*Order pronounced on 8<sup>th</sup> August, 2024*

*Sd/-*  
**(MAHAVIR SINGH)**  
उपाध्यक्ष / **VICE PRESIDENT**

*Sd/-*  
**(MANOJ KUMAR AGGARWAL)**  
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :08-08-2024  
*DS*

**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT Chennai.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF