

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

**माननीय श्री मनोज कुमार अग्रवाल ,लेखा सदस्य एवं  
माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष।  
BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM  
AND HON'BLE SHRI MANU KUMAR GIRI, JM**

**आयकरअपील सं./ ITA No.1364/Chny/2024  
(निर्धारणवर्ष / Assessment Year: 2017-2018)**

Sri Rangasamy Gounder Jewellery, **Vs.** The Income Tax Officer,  
No.281/173, 416/682, Ward 2(1)  
Nambiyur Main Road, Erode  
Gobichettipalayam,  
Erode 638 458.

**[PAN: ADAFS 7892M]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by

: Shri. N.C. Ravikrishnan, Advocate

प्रत्यर्थी की ओर से /Respondent by

: Ms. Gouthami Manivasagam, IRS, JCIT.

सुनवाई की तारीख/Date of Hearing

: 13.08.2024

घोषणा की तारीख /Date of Pronouncement

: 14.08.2024

**आदेश / ORDER**

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

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi in order No.ITBA/NFAC/S/250/2023-24/1063214939(1) dated 22.03.2024. The assessment was framed by the Income Tax Officer, Ward 1(1) Erode for the assessment year 2017-18 u/s.144 of the Income Tax Act, 1961 (hereinafter the 'Act'), vide order dated 28.12.2019.

02. The brief facts of the case are that the assessee is a partnership firm formed on 23.03.2016. The assessee firm is a family concern comprising of two partners who are Husband and wife. The assessee filed the return of income for the assessment year 2017-18 in response to notices under section 142(1) and 148 of the Income Tax Act, 1961 (in short "the Act") declaring a total income Rs.28,300/-. The main partner of the firm Shri NR Thirumurthy has been ailing for some time due to ill health and had not been in a position to respond to the notices in time. The assessee has not complied with the conditions mentioned in notice u/s 142(1). The assessee has filed the return of income u/s 142(1). However, the assessment proceeding in this case was initiated u/s 147 by issue of notice u/s 148 on 25.02.2019. Thereafter, the provision of section 144 was invoked in this case. The assessee has deposited Rs.15,61,500/- during the demonetization period and has not offered any material evidences in support of the deposits made during the demonetization period. The assessee was requested to furnish sources for the cash deposits and onus is on the assessee to prove that the sources for cash deposits are from disclosed source. In the absence of any explanation whatsoever from the assessee, the Assessing Officer treated the entire cash deposits as unexplained and undisclosed. Accordingly, the entire cash deposits Rs. 15,61,500/- is treated as unexplained money u/s 69 of the Income Tax Act, 1961. Considering the facts and circumstances of the case, the assessment is completed u/s 144 Income Tax Act, 1961 as under:

<i>Returned income</i>	<i>Nil</i>
<i>Add: undisclosed money u/s.69</i>	<i>15,61,500/-</i>
<i>Add: Addition as per para 4.1</i>	<i>28,300/-</i>
<i>Assessed income</i>	<i>15,89,800/-</i>
<i>Demand payable</i>	<i>20,54,151/-</i>

Aggrieved, assessee preferred an appeal before the Id. CIT(A).

3. Further, the appellant filed the appeal against the order under section 144 of the Act dated 28.12.2019 before the Ld. CIT(A) wherein the assessee did not file any documents/evidence clarifying the source for cash deposits 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 file evidence before the Ld. CIT(A). The Ld.DR-JCIT pleaded for dismissal of the appeal on the ground that the assessee failed to file evidence 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 and grant another opportunity of hearing to the assessee to file documents/evidence clarifying the source for cash

deposits. We find that most of notices sent by Id.CIT(A) were during Covid-19 pandemic. 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 14th August, 2024 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

**(MANOJ KUMAR AGGARWAL)**

**लेखा सदस्य / ACCOUNTANT MEMBER**

Sd/-

(मनु कुमार गिरि)

**(MANU KUMAR GIRI)**

**न्यायिक सदस्य / JUDICIAL MEMBER**

चेन्नई Chennai:

दिनांक Dated : 14-08-2024

KV

आदेश की प्रतिलिपि अग्रेषित /Copy to :

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