

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई।  
IN THE INCOME TAX APPELLATE TRIBUNAL  
'C' BENCH: CHENNAI

श्री महावीर सिंह, उपाध्यक्ष एवं श्री जगदीश, लेखक सदस्य के समक्ष  
BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND  
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.2171/Chny/2024

निर्धारण वर्ष /Assessment Year: 2017-18

Muthukrishnan Karunanidhi,  
C/o. Sendamarai Kannan,  
Advocate, 104, 22<sup>nd</sup> Street,  
Ashtalakshmi Nagar, Alappakkam,  
Chennai – 600 116.  
[PAN: CEKPK 2164K]

The Income Tax Officer,  
Vs. Ward(2),  
Vellore.

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Appellant by

: Shri S. Sendamarai Kannan,  
Advocate

प्रत्यर्थी की ओर से /Respondent by

: Ms. R. Anita, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 21.10.2024

घोषणकी तारीख /Date of Pronouncement

: 21.10.2024

आदेश / ORDER

PER JAGADISH, A.M :

Aforesaid appeal filed by the assessee is against the order of Learned Commissioner of Income Tax, Appeal, National Faceless Appeal Centre (NFAC), Delhi [hereinafter "CIT(A)"] dated 22.03.2024 confirming the addition of cash deposits during demonetization period of Rs.10,50,000/- u/s. 69A of the Income-tax Act, 1961 (hereinafter "the Act").

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2. The assessee has deposited cash of Rs. 10,50,000/- in post office during demonetization period i.e., from 09.11.2016 to 30.12.2016. The assessee is a partner in M/s. M.K. Constructions and has deposited Rs. 10,50,000/- in post office during the demonetization period. The assessee before the A.O has not been able to explain the source of cash deposit and therefore, the A.O has made the addition u/s. 69A of the Act. On appeal, the Ld. CIT(A) confirmed the addition stating that during the course of appellate proceedings, no reply has been filed by the assessee giving concrete impression that the assessee has nothing to say with regard to the unexplained cash deposits during demonetization period and confirmed the addition.

3. The Ld. Authorized Representative (A.R) of the assessee has contended that the Ld. CIT(A) has not considered the copy of five promissory notes enclosed with Form-35 explaining source of deposit and dismissed the appeal without considering the merit.

4. The Ld. Departmental Representative (DR), on the other hand, has relied on the orders of lower authorities.

5. We have heard the rival submissions, and perused the materials available on record. The Ld. CIT(A) has dismissed the appeal without

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considering the merit. The assessee has contended that he has submitted documentary evidence in support of its contention along with Form-35, which has not been considered by the Ld. CIT(A). We are of the opinion that keeping in view the principles of natural justice, the assessee be provided with another opportunity of hearing to substantiate his case before the Ld. CIT(A). Accordingly, we set aside the order passed by the Ld. CIT(A) and remit the matter back to the file of the Ld. CIT(A) to adjudicate this appeal afresh in accordance with law, after giving reasonable opportunity to the assessee. We also direct the Assessee to appear before the Ld. CIT(A) on the date of hearing without fail. In view of the above, the appeal filed by the assessee is allowed for statistical purposes.

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

*Order pronounced in the open Court on 21<sup>st</sup> October, 2024.*

**Sd/-**  
**(महवीर सिंह)**  
**(Mahavir Singh)**

**उपध्यक्ष / Vice President**

**Sd/-**  
**(जगदीश)**  
**(Jagadish)**

**लेखा सदस्य / Accountant Member**

चेन्नई/Chennai, दिनांक/Dated:21<sup>st</sup> October, 2024.

EDN/-

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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