

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

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री जगदीश, लेखा सदस्य के समक्ष
BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1383/Chny/2024
निर्धारण वर्ष /Assessment Year: 2018-19

Balu Ganesh,
11, Arjuna Reddy Street,
Sholingur, Wallajapet Taluk,
Vellore – 631 102.
[PAN: BOYPG 0982C]

The Income Tax Officer,
Vs. Ward-2,
Vellore.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Shri M. Karunakaran, Advocate
: Shri P. Krishna Kumar, JCIT

सुनवाई की तारीख/Date of Hearing

: 11.09.2024

घोषणा की तारीख /Date of Pronouncement

: 13.11.2024

आदेश / ORDER

PER JAGADISH, A.M :

Aforesaid appeal filed by the assessee for Assessment Year (AY) 2018-19 arises out of the order of Learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [hereinafter "CIT(A)"] dated 29.04.2024 in the matter of assessment framed by the Assessing Officer [AO] u/s. 147 r.w.s 144 r.w.s 144B of the Income-tax Act,1961 (hereinafter "the Act") on 03.03.2023.

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2. The only effective ground of appeal in this appeal of assessee is against addition of cash deposit of Rs. 64,36,700/- u/s. 69A of the Act.

3. The assessee is an individual running provision store in the name and style of M/s. Ganesh Stores. During the relevant previous year assessee has deposited cash of Rs. 64,36,700/- in Andhra Bank, but has not filed return of income. The A.O therefore issued notice u/s. 148 of the Act after following due procedure. In response to the notice issued, the assessee filed return showing total income of Rs. 4,39,940/-, but the return remained not e-verified. The assessee in response to notices issued during assessment proceeding was non-compliant, therefore the A.O passed order u/s. 144 of the Act by making addition of unexplained cash deposit of Rs. 64,36,700/-. The A.O has not accepted the part reply of the assessee that the cash deposit is out of the sale proceed as he found certain purchase party doubtful. On appeal, the Ld. CIT(A), has confirmed the addition approving the reasons given by the A.O.

4. The Ld. Authorized Representative (A.R) of the assessee before us has submitted copy of profit and loss account, balance sheet and copy of bank pass book in support of the claim that all deposits and

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withdrawal are relating to the business of M/s. Ganesh Stores and therefore, entire deposit cannot be added as income. The Ld. AR has further stated that neither A.O nor the Ld. CIT(A) have gone through these documents and therefore, in the interest of justice one more opportunity may be provided and the matter may be remitted back to the A.O.

5. The Ld. Departmental Representative (DR), on the other hand, relied on the orders of lower authorities and requested to confirm the order as assessee has been non compliant before authorities..

6. We have heard the rival submissions, and perused the materials available on record. The A.O has made the addition of entire cash deposit in the bank account u/s. 69A of the Act as unexplained money. The A.O has not accepted the assessee's explanation that cash deposits were sale proceeds from the provisional store for the reason that certain parties from whom purchases were said to be made had invalid GST number or non verifiable . The Ld. CIT(A) has agreed with the findings of the A.O without examining the contention of the assessee. We find from the bank statement that there is a cash deposit and payment to the parties for purchase of goods. Therefore,

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addition of entire credit side is not justified. The assessee has submitted profit and loss account, balance sheet and the details of cash deposit and withdrawal from the bank. We, therefore restore the matter back to the file of A.O for *denovo* assessment. We also direct the Assessee to appear before the A.O on the date of hearing without fail. In view of the above, the appeal filed by the assessee is allowed for statistical purposes.

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

Order pronounced on 13th November, 2024.

Sd/-
(एबी टी. वर्की)
(ABY. T. Varkey)

न्यायिक सदस्य / Judicial Member

Sd/-
(जगदीश)
(Jagadish)

लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 13th November, 2024.

EDN/-

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