

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'C' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri Amitabh Shukla, Accountant Member

आयकर अपील सं./I.T.A. No.2436/Chny/2024
निर्धारण वर्ष/Assessment Year: 2017-18

Venkatachalam Vikram,
No. 1, Prop. R.V. Vikram Agencies,
Chinnamariamankovil Street,
Kannankurichi, Salem 636 008.

Vs. The Income Tax Officer,
Ward 1(4),
Salem.

[PAN: AEDPV4809H]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : Shri T.S. Lakshmi Venkataraman, FCA
प्रत्यर्थी की ओर से/Respondent by : Ms. R. Anita, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 21.11.2024
घोषणा की तारीख /Date of Pronouncement : 27.11.2024

आदेश / O R D E R

PER S.S. VISWANETHRA RAVI, JUDICIAL MEMBER:

This appeal filed by the assessee is directed against the order dated 28.08.2024 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [NFAC], Delhi for the assessment year 2017-18.

2. Brief facts of the case are that the assessee is an individual and proprietor of petrol bunk namely M/s. R.V. Vikram Agencies, a dealer of Indian Oil Corporation. The assessee filed his return of income

admitting total income of ₹.3,48,200/-. The Assessing Officer noted at page 2 of the assessment order that the assessee had deposited old SBNs to an extent of ₹.11,13,500/-. The Assessing Officer did not allow the above sum for the reason that the Govt. Of India allowed the petrol bunk to receive the old SBNs of ₹.1000 till 24.11.2016 and ₹.500 till 15.12.2016. Since the assessee received old SBNs after the aforesaid dates, the above said amount of ₹.11,13,500/- was treated as assessee's unexplained credit and brought to tax under section 68 of the Income Tax Act, 1961 ["Act" in short]. Further, the Assessing Officer also disallowed the interest payment to an extent of ₹.45,936/- under section 40(a)(ia) of the Act. The Id. CIT(A) confirmed the same.

3. The Id. AR Shri T.S. Lakshmi Venkataraman, FCA submits that once the Assessing Officer has not doubted the cash deposits out of sale, the deposit of invalid currencies cannot be treated as unexplained income of the assessee, in as much as, when the currencies itself are invalid, there is no character of income embedded in those currencies to treat them as unexplained income. He further submits that due to the circumstances beyond his control, the assessee could not file explanation/documentary evidence in support of his claim before the Id. CIT(A) and prayed to afford an opportunity to the assessee.

4. The Id. DR Ms. R. Anita, Addl. CIT opposed the same and drew our attention to page 7 & 8 of the impugned order and argues that the Id. CIT(A) has given ample of opportunities to the assessee, but, the assessee failed to upload his explanation to substantiate his claims.

5. After hearing both the parties, considering the facts and circumstances of the case and in the interest of natural justice, we deem it proper to remand the matter to the file of the Id. CIT(A) for fresh consideration by affording an opportunity to the assessee for filing/ uploading his explanation with supporting documents, if any, to substantiate his case and to decide the issue on merits in accordance with law. Thus, the grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced on 27th November, 2024 at Chennai.

Sd/-
(AMITABH SHUKLA)
ACCOUNTANT MEMBER

Sd/-
(S.S. VISWANETHRA RAVI)
JUDICIAL MEMBER

Chennai, Dated, 27.11.2024

Vm/-

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant,
2. प्रत्यर्थी/ Respondent,
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR &
5. गार्ड फाईल/GF.