

आयकर अपीलीय अधिकरण 'बी' न्यायपीठ चेन्नई में।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' (SMC) 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, ACCOUNTANT MEMBER
AND HON'BLE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER**

आयकरअपील सं./ ITA No.2628/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-2018)

B. R. Gopi (HUF)
1081C, Mission Street,
M. Chavady,
Thanjavur 613 001.

Vs. The Income Tax Officer,
Ward 1,
Thanjavur

[PAN: AAIHB 1928G]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by

: Shri. N. Arjun Raj, Advocate

प्रत्यर्थी की ओर से /Respondent by

: Ms. D. Komali Krishna, IRS, CIT.

सुनवाई की तारीख/Date of Hearing

: 17.12.2024

घोषणा की तारीख /Date of Pronouncement

: 19.12.2024

आदेश / O R D E R

PER MANU KUMAR GIRI (Judicial Member)

This appeal filed by the assessee is directed against the order of the Ld. Commissioner of Income Tax(Appeals) Addl/JCIT(A)-1 Vadodara [CIT(A)] dated 04.07.2024 for Assessment Year 2017-18.

2. The registry has noted delay of 43 days in filing the appeal. Considering the period of delay and reasons stated in the condonation application which is

supported by an affidavit of Karta of Assessee HUF, we condone the delay and admit the appeal for adjudication.

3. Brief facts of the case are that the appellant has not filed its ROI u/s 139(1) of the Act. On the basis of information with the department the appellant had deposited Cash of Rs.9,60,250/- and Rs.4,04,100/- in account no. 6314202534 and in 612805027269 in bank account(s) during the demonetisation period (9th November, 2016 to 30th December, 2016). The AO was of the opinion that there was escapement of income to the tune of Rs. 13,64,350/-. The case was then re-opened with a reason for Huge Cash deposit. During the assessment proceedings, notices u/s 142(1) of the Act dated 10.03.2018 was issued to appellant asking it to file ROI. In response to the notice the appellant has filed ROI on 31.10.2018 with an income at Rs.5,90,780/- Notice u/s 142(1) of the Act was issued to appellant on 02.11.2019 asking it to furnish details w.r.t. assessment proceedings. The appellant submitted reply with evidence. On examination of cash book uploaded by the appellant, the AO concluded that the appellant has made cash deposit of Rs. 13,64,000/- during the demonetization period. Out of total cash deposited for Rs. 13,64,000/-, Rs. 10,91,500/- was treated as explained as the same was deposited out of total closing cash on hand and the balance cash of Rs. 2,72,500/- was treated as unexplained money u/s 69A of the Act as the same was deposited by the family out of its daily monetary transaction and that too with old denomination of Rs.500/- and Rs.1,000/-. Therefore,

order u/s 144 of the Act was passed on 30.12.2019 determining total income at Rs.8,63,280/- by making addition on account of unexplained money u/s 69A of the Act for Rs.2,72,500/- to the returned income. Aggrieved by the order of ITO, Ward-1, Thanjavur, the appellant has filed an appeal before the Id.CIT(A). Assessee further challenged the ex-parte order of assessment u/s 144 of the Act before the Id.CIT(A) who noted that no justification was given by the assessee regarding cash deposit of Rs.2,72,500/- Lacs. Accordingly, the addition was confirmed. Aggrieved, the assessee is in further appeal before us. The Ld. AR has pleaded for reasonable estimation of income on balance cash deposit which has been opposed by revenue.

4. We have heard the rival submissions and perused the record. During assessment proceedings, it transpired that the assessee deposited cash of Rs.13.64 Lacs in his bank account during demonetization period. The AO accepted the cash balance of Rs.10,91,500/- and balance cash of Rs.2,72,500/- was added u/s 69A of the Act. It was ascertained that the assessee is deriving income from business and was carrying on business of Textile Trade for a long time. Since the assessee failed to establish the source of balance cash deposit of Rs.2,72,500/-, the same was added to the income of the assessee.

5. It is undisputed fact that the assessee is deriving income from business and its only source of income is business receipts. Though the assessee contended that the deposits were sourced out of business receipts, however,

he could not establish the same. Under these circumstances, we estimate income of 25% on impugned balance deposit of Rs.2,72,500/- Lacs which comes to Rs.68,125/-. The impugned addition stand restricted to that extent.

6. In the result, appeal filed by the assessee is partly allowed.

Order pronounced in the open court on 19th day of December,2024 at Chennai.

Sd/-

(मनोज कुमार अग्रवाल)

(MANOJ KUMAR AGGARWAL)

लेखा सदस्य / ACCOUNTANT MEMBER

चेन्नई Chennai:

दिनांक Dated : 19-12-2024

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

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य / JUDICIAL MEMBER