

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

**माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य एवं
माननीय श्री जगदीश, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER
AND HON'BLE SHRI JAGADISH, ACCOUNTANT MEMBER**

**आयकर अपील सं./ ITA Nos.2931 & 2932/Chny/2024
(निर्धारणवर्ष / Assessment Years: 2017-2018 & 2017-2018)**

Marappa Gounder Chandrasekaran, **Vs.** The Income Tax Officer,
No.17, Karugampalayam, Non Corporate Ward 4(1)
Mariamman Kovil Street, Coimbatore
Ichipatti P.O. Somanur,
Tirupur 641 668.

[PAN: APHPC 7318B]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Shri. S. Bhupendran, Advocate
(Virtual)
प्रत्यर्थी की ओर से /Respondent by : Shri. P. Vijaideepan, IRS, JCIT.

सुनवाई की तारीख/Date of Hearing : 13.02.2025

घोषणा की तारीख /Date of Pronouncement : 14.03.2025

आदेश / ORDER

MANU KUMAR GIRI (Judicial Member)

The captioned appeals filed by the assessee are directed against the orders of the Ld. Commissioner of Income Tax (Appeals)(NFAC) Delhi [CIT(A)] dated 30.08.2024 and 24.09.2024 for Assessment Year 2017-2018.

2. The registry has noted delay of 19 days in filing the appeal. Considering the reasons stated in the affidavit by the Assessee, we condone the delay and treat the reasons as 'sufficient cause' and admit the appeal for adjudication.

3. Brief facts of the Appeal No.2931/Chny/2024 are as under:

The assessee is engaged in the trading of textile items and has filed the return of income for AY 2017-18 on 30.10.2017 admitting a net total income of Rs.4,38,270/- Subsequently, the case was selected for scrutiny through CASS for the reason of 'cash deposit during the year'. The AO made an addition of Rs.4,47,07,222/- to the total income of the assessee on the following grounds:

(a) The difference between the reported turnover of Rs.4,47,07,222/- and the total of bank deposits Rs.5,65,51,427/- being Rs.1,18,44,205/- as sales and computed income @1.24% thereon at Rs.1,47,617/-;

(b) Cash deposits of Rs.19,20,000/- made during demonetisation period as unexplained credits u/s 68 of the Act.

The assessee challenged the order of the AO before the Id. CIT(A). The Id. CIT(A) confirmed the addition of Rs.19,20,000/- as unexplained credits u/s 68 of the Act. Aggrieved assessee is in appeal before us.

4. The Id. counsel for the assessee submitted the difference in amount are due to deposit of cash in hand into the bank account, advances received from the customers and inter-bank fund transfers. The AO treated transaction on these account as turnover. The Id. counsel taken us through the chart showing consistency in business in preceding years and subsequent years.

5. Per contra, the Id. DR, vehemently supported the impugned order of the Id. CIT(A) and prayed for the dismissal of the appeal of the assessee. He further contended that despite having ample opportunities before the Id. CIT(A), the assessee did not furnish anything in support of the contentions made before the Tribunal.

6. We have heard the both parties and perused the orders of the lower authorities and also perused case laws, the chart showing history of business, trading and profit & loss account for the year ended 31.03.2017 and Balance Sheet as on 31.03.2017. We find that the AO has not disputed the sales and accepted the sale proceeds. He also accepted the turnover and income tax return filed as true and correct. The Id. AO has also considered the entire bank receipts as turnover. Therefore, not accepting the consideration received on the said sale as genuine is itself contradictory. We are also conscious of the fact that there are deposit of cash in hand into the bank account, advances received from the customers and inter-bank fund transfers which has not been disputed by the Id.CIT(A). Therefore, we accept the explanation of the assessee and delete the both additions.

7. Now ITA No.2932/Chny/2024:

While adjudicating the quantum assessment referred supra, the AO initiated penalty proceedings u/s 271AAC of the Act. Since, we have deleted the additions hence, consequently this penalty levied u/s 271AAC is also deleted.

8. In result, both the appeals of the assessee are allowed.

Order pronounced in open court on 14th day of March, 2025 at Chennai.

Sd/-
(जगदीश)
(JAGADISH)

लेखा सदस्य / ACCOUNTANT MEMBER

चेन्नई Chennai:

दिनांक Dated :14-03-2025

KV

आदेश की प्रतिलिपि अग्रेषित /Copy to :

1. अपीलार्थी/Appellant

2. प्रत्यर्थी/Respondent

3. आयकरआयुक्त/CIT, Coimbatore.

4. विभागीयप्रतिनिधि/DR

5. गार्डफाईल/GF

Sd/-
(मनु कुमार गिरि)
(MANU KUMAR GIRI)

न्यायिक सदस्य / JUDICIAL MEMBER