

आयकर अपीलिय अधिकरण, 'डी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL 'D' BENCH, CHENNAI**  
श्री जॉर्ज जॉर्ज के., उपाध्यक्ष एवं श्री एस.आर.रघुनाथा, लेखा सदस्य के समक्ष  
**BEFORE SHRI GEORGE GEORGE K., VICE-PRESIDENT AND**  
**SHRI S.R. RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपीलसं./ITA No.: 306/Chny/2025  
निर्धारण वर्ष / **Assessment Year: 2017-18**

Kabali Sivakumar,  
24, Vanniyar Street, Triplicane,  
Chennai 600 005.

Income Tax Officer,  
Vs. Non Corporate Ward -9(4),  
Chennai.

**[PAN: DMVPS-6280-J]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by : Shri N. Arjun Raj, Advocate  
प्रत्यर्थी की ओर से/Respondent by : Shri A. Sasi Kumar, CIT  
सुनवाई की तारीख/ Date of hearing : 19.03.2025  
घोषणा की तारीख /Date of Pronouncement : 17.04.2025

**आदेश / O R D E R**

**PER S. R. RAGHUNATHA, ACCOUNTANT MEMBER:**

This appeal filed by the assessee is directed against the order passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, under section 250 of the Income Tax Act, 1961 ["Act" in short] dated 29.11.2024 pertains to the assessment year 2017-18.

2. The assessee raised 15 grounds of appeal, amongst which, the only issue emanates for our consideration as to whether the Id. CIT(A) is justified in confirming the additions of ₹.11,28,500/- being the cash

deposits made in SBNs during the demonetization period under section 69 of the Act and ₹.10,12,224/- being 8% of total turnover as income from business after considering the sum offered to tax by passing ex-parte order in the facts and circumstances of the case.

3. Brief facts of the case are that the assessee is an individual and filed his return of income declaring an income of ₹.3,72,150/-. The return filed by the assessee was processed under section 143(1) of the Act and subsequently, selected for scrutiny under CASS to verify large cash deposited in bank account. In response to the notices, the assessee filed note on the milk business, copy of distributor agreement with Hatsun Agro Product Limited, copy of bank statement, details of cash deposits made by the assessee in bank account, revised statement of total income, profit & loss account and balance sheet. After examining the details furnished by the assessee, the Assessing Officer noted that the assessee made total cash deposits of ₹.1,46,36,860/- out of which ₹.21,05,200/- was deposited during demonetization period between 09.11.2016 to 30.12.2016. Out of the above deposits, the Assessing Officer also noted the assessee had deposited other than ₹.1000/- & ₹.500/- Notes during demonetization period of ₹.9,76,700/- and thus, the deposits made by the assessee in old SBN notes is ₹.11,28,500/-. On verification of the ledger account of the assessee in the books of Hatsun

Agro Product Limited, the Assessing Officer observed that the transactions of the assessee with Hatsun Agro Product Ltd. was ₹.1,73,04,906/-, which is higher than the transaction reflected from the bank statement of the assessee. Against the show-cause notice, the assessee filed e-submission and the explanation offered by the assessee is reproduced at para 9 of the assessment order. After considering the submissions of the assessee, the Assessing Officer made the additions of ₹.11,28,500/- being the cash deposits made in SBNs during the demonetization period under section 69 of the Act and ₹.10,12,224/- being 8% of total turnover at ₹.1,73,04,906/- as income from business after considering the sum offered to tax at ₹.3,72,150/- and completed the assessment order under section 143(3) of the Act dated 07.12.2019. On appeal, the Id. CIT(A) dismissed the appeal of the assessee for want of prosecution since the assessee could not respond to various hearing notices issued by the Id. CIT(A). On being aggrieved, the assessee carried the matter in appeal before the Tribunal.

7. The Id. AR Shri N. Arjun Raj, Advocate, submits that the assessee is a small milk vendor of distributing Hatsun Agro Products in Triplicane area and fully cooperated with the department by furnishing all details for the purpose of assessment. He submits that non-response to the hearing notices is neither willful nor wanton, but, due to circumstances

beyond his control, the assessee could not respond to the hearing notices issued by the Id. CIT(A) and prayed that the assessee may be afforded one more opportunity of being heard to the assessee to substantiate his case before the Id. CIT(A).

8. The Id. DR Shri A. Sasi Kumar, CIT opposed the same and drew our attention to para 3 at page 3 of the impugned order and argues that the Id. CIT(A) has given ample of opportunities to the assessee, but, it was not availed.

9. Having heard both the parties and on perusal of the assessment order, we note that the assessee has furnished complete details before the Assessing Officer for assessment. However, on perusal of the impugned order, we note that the assessee could not respond to any of the hearing notices issued by Id. CIT(A), thereby, the Id. CIT(A) completed the impugned order exparte of the assessee. Considering the facts and circumstances of the case and submissions of the Id. AR and the Id. DR, in the interest of justice, we deem it proper to remand the matter to the file of the Id. CIT(A) to decide the issue afresh by affording one more opportunity of being heard to the assessee after considering the written submissions/ documentary evidence as may be filed by the assessee to substantiate his claim. Thus, the grounds raised by the assessee are allowed for statistical purposes.

10. In the result the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the court on 17<sup>th</sup> April, 2025 at Chennai.

Sd/-  
(जॉर्ज जॉर्ज के.)  
(GEORGE GEORGE K)  
उपाध्यक्ष /VICE PRESIDENT

Sd/-  
(एस.आर.रघुनाथा)  
(S. R. RAGHUNATHA)  
लेखा सदस्य/ACCOUNTANT MEMBER

चेन्नई/Chennai,  
दिनांक/Dated, the 17<sup>th</sup> April, 2025

Vm/-

आदेशकीप्रतिलिपिअग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF