

आयकर अपीलीय अधिकरण, 'ए' न्यायपीठ, चेन्नई
IN THE INCOME-TAX APPELLATE TRIBUNAL 'A' BENCH, CHENNAI
श्री एस.एस. विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री एस.आर. रगुनाथा, लेखा सदस्य के समक्ष
Before Shri S.S. Viswanethra Ravi, Judicial Member &
Shri S.R. Raghunatha, Accountant Member

आयकर अपील सं./I.T.A. No.333/Chny/2025
निर्धारण वर्ष/Assessment Year: 2017-18

JCR Traders,
2/117, Thittakudi Road,
Keelamathur, Tamil Nadu 621 173.

Vs. The Deputy Commissioner of
Income Tax,
Circle 1(1),
Trichy.

[PAN:AALFJ6942K]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से / Appellant by : None
प्रत्यर्थी की ओर से/Respondent by : Ms. Deeptha, Addl. CIT
सुनवाई की तारीख/ Date of hearing : 28.04.2025
घोषणा की तारीख /Date of Pronouncement : 30.04.2025

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 21.08.2024 passed by the Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi for the assessment year 2017-18.

2. We find that this appeal is filed with a delay of 93 days. The assessee filed an affidavit for condonation of delay stating the reasons. Upon hearing both the parties and on examination of the said affidavit,

we find the reasons stated by the assessee are bonafide, which really prevented in filing the appeal in time. Thus, the delay is condoned and admitted the appeal for adjudication.

3. We find no representation on behalf of the assessee or any application filed seeking adjournment. The assessee called absent and set exparte. We proceed to decide the appeals on merits after hearing the Id. DR basing on the material available on record.

4. The assessee raised 3 grounds of appeal, amongst which, the issues emanates for our consideration as to whether the Id. CIT(A) is justified in confirming the addition made under section 69 of the Income Tax Act, 1961 ["Act" in short] as well as confirming the disallowance made under section 40(a)(ia) of the Act.

5. At the outset, we note that the assessee is a firm and filed its return of income on 20.02.2018 declaring taxable income of ₹.11,25,800/-. The case has been selected for complete scrutiny under CASS and the Assessing Officer issued notice under section 143(2) of the Act dated 24.09.2018 and served on the assessee. As there is no response to the above notice, notice under section 142(1) of the Act dated 02.11.2019 was served on the assessee. Since there is no

compliance from the assessee, the Assessing Officer issued a show-cause notice dated 26.12.2019 proposing to complete the assessment under section 144 of the Act, but, however, there is no compliance to the above show-cause notice. The Assessing Officer, on examination of the return, noted that the assessee has debited expenses under the head (i) audit fee of ₹.1,95,000/- and interest & finance charges at ₹.3,71,550/-, but, however, the assessee has not deducted TDS on the above expenses. Accordingly, the Assessing Officer disallowed the above expenses under section 40(a)(ia) of the Act and added to the total income of the assessee. Further, the Assessing Officer noted that the assessee made cash deposits in HDFC bank to the tune of ₹.2,14,94,744/-. Since the assessee failed to furnish any details in response to various notices issued, the Assessing Officer completed the assessment under section 144 of the Act determining total income at ₹.2,31,87,090/-, inter alia, making disallowance under section 40(a)(ia) of the Act as well as addition towards unexplained money under section 69 of the Act. Not satisfied with the assessment order, the assessee preferred an appeal before the Id. CIT(A)/NFAC. The Id. CIT(A) dismissed the appeal of the assessee for want of prosecution.

Aggrieved by the order of the Id. CIT(A), the assessee is in appeal before the Tribunal.

6. We find that there is no assistance from the assessee before the Assessing Officer and the Id. CIT(A) and the addition involved therein towards disallowance under section 40(a)(ia) of the Act for non-deduction of TDS as well as addition towards unexplained cash deposits under section 69 of the Act. Before the Tribunal, in the grounds of appeal, the assessee has contended that the assessee made cash deposit of ₹.34,83,000/-, which pertains to trading receipts and no part of the amount could be considered under section 69 of the Act. The assessee also contended that the Id. CIT(A) ought to have been restricted the addition made under section 40(a)(ia) of the Act at 30% of such disqualified expenditure. Taking into consideration of the facts and in the interest of justice, we deem it proper to remand the matter to the file of the Assessing Officer for fresh adjudication in accordance with law after making appropriate enquiries and the assessee is also directed to furnish complete details before the Assessing Officer for completing the assessment. Thus, the grounds raised by the assessee are allowed for statistical purposes.

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

Order pronounced on 30th April, 2025 at Chennai.

Sd/-
(S.R. RAGHUNATHA)
ACCOUNTANT MEMBER

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

Chennai, Dated, 30.04.2025

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.