

आयकर अपीलिय अधिकरण, 'ए' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'A' 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 अपील सं./ITA No.: **977/Chny/2025**  
निर्धारण वर्ष / Assessment Year: **2017-18**

<b>Abdul Hakim Mohamed Yusuf,</b> 75, Sathiyamoorthy Street, Salem – 636 015.	vs.	<b>Income Tax Officer,</b> Ward 1(1), Salem.
<b>[PAN:BNGPM-2255-K]</b> (अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. T.S.Lakshmi Venkataraman, FCA.  
प्रत्यर्थी की ओर से/Respondent by : Mr. Kumar Chandan, JCIT.

सुनवाई की तारीख/Date of Hearing : 18.06.2025  
घोषणा की तारीख/Date of Pronouncement : 22.07.2025

**आदेश / O R D E R**

**PER S. R. RAGHUNATHA, AM :**

This appeal filed by the assessee is directed against the order passed by the learned Commissioner of Income Tax (Appeals), NFAC, Delhi dated 17.10.2023 and pertains to assessment year 2017-18.

2. At the outset, we find that there is a delay of 459 days in appeal filed by the assessee, for which the assessee has filed an affidavit stating the reasons for delay, wherein, it is submitted that Mr.Vijay, Tax Practitioner failed to give proper professional guidance to the assessee. The assessee became aware of appellate order dated 17.10.2023 passed by the Id.CIT(Appeals) only when he received a recovery notice u/s.221(1) of the Act dated 31.01.2025 from ITO,

Salem. After receiving proper professional guidance from the Chartered Accountant in the month of March 2025, immediately the appeal was filed on 03.04.2025. Hence, there was a delay in filing the appeal by the assessee. After considering the Affidavit filed by the assessee and also hearing both the parties, we find that there is a reasonable cause for the assessee in not filing appeal on or before the due date prescribed under the law and thus, in the interest of justice, we condone delay in filing of appeal and admit the appeal filed by the assessee for adjudication.

3. The brief facts of the case are that the assessee was engaged in the wholesale business of footwear and made cash deposits amounting to Rs.1,91,46,996/- in his bank account maintained with Pallavan Grama Bank and Lakshmi Vilas Bank Ltd during the A.Y.2017-18. However, on verification, it was noticed that the assessee did not file any return of income for this assessment year. The veracity of the sources through which the said deposits were made could not be verifiable in the absence of any return of income. Having not filed any return of income, but, making deposits of such high magnitude, prima-facie, indicates and establish the truth that the assessee has failed to disclose fully and truly all material facts to the department for his assessment. Hence, having perused the information available on record and the facts of the assessee's case forms the reason to believe that the income at least to the extent of Rs.1,91,46,996/- being unexplained cash deposits made by him, liable to tax, has escaped assessment within the context and purview of the section 147 of the IT Act. Therefore, as there is an escapement of income, in order to assess the correct and exact income of the assessee, proceedings u/s.147 of the Act has been initiated after obtaining proper approval from the

Higher Authorities and the notice u/s.148 of the Act was issued on 30.03.2021. The case was selected for scrutiny and statutory notices were sent by the AO. The assessee did not participate in assessment proceedings and hence the AO passed an ex parte order u/s.144 r.w.s.147 r.w.s.144B of the Act dated 30.03.2022 by determining taxable income of Rs.1,91,46,996/-.

4. Aggrieved by the order of the AO, the assessee preferred an appeal before the Id.CIT(A), NFAC.

5. At the outset, we observed that the Ld.CIT(A) found that the assessee had not made any specific submissions along with appeal. Hence, Id. CIT(A) had dismissed the appeal and made an addition of Rs.1,91,47,000/-, based on facts and the material evidence available on records and passed an order dated 17.10.2023. In view of the above, the Id.AR prayed for one more opportunity before the AO, since the ex parte order has been passed by the AO u/s.144 of the Act. Further, Id.AR assured the bench that the Id.AR will represent on behalf of the assessee before the AO to complete the assessment proceedings effectively.

6. Per contra, the Id.DR submitted that both the Assessing Officer and the Id.CIT(A) provided sufficient opportunity to appear before them. However, the assessee has been negligent in responding to the statutory notices and hence, prayed for confirming the order of the Id.CIT(A).

7. We have heard from the rival parties and perused the material available on record and gone through the orders of the lower authorities. We note that the AO has passed an ex parte order by considering the information available with

the department and the same has been dismissed by the Id.CIT(A), NFAC, Delhi due to non-participation of the assessee before the first appellate authority also. Since the assessee has failed to participate both before the AO as well as the first appellate authority, we levy the cost of Rs.25,000/- to be paid to State Legal Aid Authority, Hon'ble High Court of Madras and produce proof of payment of cost to the Registry within 30 days from the date of receipt of this order.

8. In view of the above and to meet the ends of justice we set aside the order of Id.CIT(A) and remit the matter back to the file of Assessing Officer by relying on the decision of the Hon'ble Supreme Court in the case of Tin Box Company vs CIT, [2001] 249 ITR 216 (SC) and direct AO to denovo frame the assessment order in accordance to law, after providing reasonable opportunity to the assessee. Needless to say, the assessee to be diligent and file written submissions and relevant documents if advised so.

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

Order pronounced in the court on 22<sup>nd</sup> July, 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 22<sup>nd</sup> July, 2025

**SP**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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