

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER**  
**AND SHRI SONJOY SARMA, JUDICIAL MEMBER**

**I.T.A. No.666/COCH/2024**

Assessment Year: 2015-16

**Calicut Chamber of Commerce And Industry .....Appellant**  
**Raghunath & Associates, Advocate,**  
**“SREYAS” Rajeev Nagar,**  
**Thiruthiyad, Calicut – 673004.**  
**[PAN:AACCC2475L]**

vs.

**ITO, Ward-2(3), Kozhikode.....Respondent**

**Appearances by:**

Shri Raghunathan P, Advocate, appeared on behalf of the assessee.

Smt. Leena Lal, SNR AR, appeared on behalf of the Revenue.

Date of concluding the hearing :June 04, 2025

Date of pronouncing the order :July 31, 2025

**ORDER**

**Per Sonjoy Sarma, Judicial Member:**

This appeal is filed by the assessee against the order dated 16.07.2024 passed by the National Faceless Appeal Centre, Delhi, [hereinafter referred to as 'CIT(A)'].

2. At the outset, it is noted that there is a delay of 808 days in filing the present appeal before the Tribunal. The assessee has filed a condonation petition explaining the reasons or such delay. After considering the submissions and materials on record, we are satisfied that there was reasonable cause for the delay in filing the appeal. Accordingly, the delay of 808 days is condoned, and the appeal is admitted for adjudication.

3. Brief facts of the case are that the assessee is a non-profit entity established to promote the interests of traders, manufacturers and professionals in the Calicut region. The Chamber also facilitates representation and certification for its members before appropriate authorities. As part of its mutual benefit initiatives, the Chamber introduced a scheme named under which regular monthly subscriptions were collected from its members, mostly small merchants. The collections were made in cash and cheques, often on a daily or weekly basis and duly deposited in the Chamber's regular bank account. Payments under the scheme were made through cheques issued to members and all such transactions were recorded in the books of account, which were audited annually and placed before the General Body of the Chamber. A list of participating members was also maintained. For the Assessment Year (AY) 2015-16, no return of income was filed. Based on information from the Income Tax Business Application (ITBA), which showed cash deposits of Rs.1,80,23,459/- in the Chamber's Federal Bank account, a notice under Section 148 of the Income-tax Act, 1961, was issued. In response, the appellant filed its return of income declaring nil income. Subsequently, notice under Section 142(1) dated 06.03.2022 was issued, seeking explanation and supporting documents regarding the source of the cash deposits. However, the appellant failed to produce supporting evidence relating to the identity of contributors or source of funds. The AO, treating the entire cash deposit as unexplained money under Section 69A of the Act, added an addition of Rs.1,80,23,459/- and applied tax under Section 115BBE of the Act vide assessment order dated 17.03.2022.

4. Dissatisfied with the above order the appellant challenged the addition before the CIT(A), contending, inter alia, that the figure of Rs.1,80,23,459/- as cash deposit was factually incorrect. As per the bank statement and cash book, the actual cash deposits were

Rs.1,30,33,399/-A cash book summary and other relevant documents were submitted to substantiate the explanation. Despite direction to file written submissions by 16.01.2024 (as per notice dated 09.01.2024), the appellant duly uploaded its reply and documents, including bank statements, on 17.01.2024.However, the CIT(A) passed the order on 16.03,2024, without referring to or considering these submissions and dismissed the appeal solely on the ground that the documents were additional evidence not filed before the AO and hence inadmissible under Rule 46A(1). The CIT(A) did not issue any notice or opportunity to justify the filing of additional evidence nor recorded any satisfaction as required under Rule 46A(2). Furthermore, no remand report was called for from the A.O. The appellant also contended that the show-cause notice dated 06.03.2022 issued by the A.O allowed only four days for compliance, which was insufficient, and hence, there was a violation of principles of natural justice.

5. Aggrieved by the order of Id. CIT(A), assessee is in appeal before the tribunal stating that Id CIT(A) order is violation of Rule 46A(2) of the I.T Rules and has failed to consider the submission and documentary evidence placed on record and summarily dismissed the appeal, without following the procedure laid down for admission of additional evidence under Rule 46A. He further stated no opportunity of hearing was granted. No personal hearing- either physical or via VC-was afforded. While passing the impugned order CIT (A) did not consider the cash book, audit reports, list of members and other supporting materials substantiating the genuineness of the deposits were ignored. He therefore prayed that the order of the Id CIT(A) be set aside, and the matter be remanded to his file for fresh adjudication.

6. On the other hand, the Id. DR supported the order of the authorities below.

7. We after hearing the rival submission of the parties and considering the prayer, we deem it appropriate, in the interest of justice, to set aside the impugned order of the Ld. CIT(A) and restore the matter to his file for fresh adjudication. The Id. CIT(A) is direction to grant reasonable opportunity of hearing to the appellant. Consider the documentary evidence filed before him by allowing the procedure prescribed under Rule 46A, including calling for remand report from the AO, if necessary by passing a reasoned and speaking order in accordance with law. We make it clear that we have not expressed any opinion on the merits of the case, and all contentions are kept open.

8. In terms of the above, appeal of the assessee is allowed for statistical purposes.

**31<sup>st</sup> July, 2025.**

Sd/-  
**[Inturi Rama Rao]**  
लेखा सदस्य/**Accountant Member**

Sd/-  
**[Sonjoy Sarma]**  
न्यायिक सदस्य/**Judicial Member**

Dated: 31.07.2025.

*Copy of the order forwarded to:*

1. Appellant -
2. Respondent -`
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar/Sr. PS, Cochin Benches