

आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री एस. आर. रघुनथन लेखक सदस्य के समक्ष
BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI S. R. RAGHUNATHA, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.: 2066/Chny/2025
निर्धारण वर्ष / Assessment Year: 2017-18

Krishnasamy Ilangovan, 2/3, East Street Sruthi Agencies, Nallipalayam, Namakkal – 637 003. Tamil Nadu.	vs.	Income Tax Officer, Ward-2, Namakkal.
[PAN: AAIP1-1366-F] (अपीलकर्ता/Appellant)		(प्रत्यर्थी/Respondent)

अपीलकर्ता की ओर से/Appellant by : Mr. Girish Kumar S, Advocate for
Mr. S. Sridhar, Advocate.
प्रत्यर्थी की ओर से/Respondent by : Ms. Anitha, Addl. CIT.

सुनवाई की तारीख/Date of Hearing : 17.09.2025
घोषणा की तारीख/Date of Pronouncement : 13.10.2025

आदेश / ORDER

PER S. R. RAGHUNATHA, AM :

This appeal by the assessee is filed against the order of the learned Commissioner of Income Tax (Appeal), NFAC, Delhi, (in short Ld. CIT(A)) for the assessment year 2017-18, vide order dated 24.10.2024.

2. At the outset, we find that there is a delay of 209 days in appeal filed by the assessee, for which petition for condonation of delay along with reasons. The assessee submitted an affidavit for the delay stating that the assessee forwarded the first appellate order to the office of the Chartered Accountant immediately, but they failed to file the appeal in time due to

possible oversight and hence there was a delay in filing the present appeal and prayed that the delay be condoned. After considering the petition 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 interests of justice, we condone delay in filing of appeal and admit appeal filed by the assessee for adjudication.

3. Brief facts of the case are that the assessee is an individual and engaged in business of trading in Sakthi Masala Products and had not filed his return of income for the A.Y.2017-18. As per information available with the department, the assessee made cash deposits to the tune of Rs.12,74,080/- into his savings bank account maintained with United Commercial Bank, Namakkal during the demonetization period. The case was selected for complete scrutiny and statutory notices were issued to the assessee and assessee did not respond for many notices initially. In response to the proposed Assessment Notice dated 18.09.2019, the assessee submitted reply letter along with the copy of e-filed return filed on 21.09.2019 for A.Y.2017-18, Form 3CB, Copy of trading, profit & loss account and balance sheet as on 31.03.2017. On perusal of the documents submitted by the assessee, the Assessing Officer not convinced with the reply, due to the assessee's business activities was not covered in any of the notification issued by Government of India for exemption to make transactions and made an addition of Rs.12,74,080/- as unexplained cash deposit u/s.69A r.w.s.115BBE of the Act and Rs.8,82,926/- as treated as Business Income at the rate of 8% u/s.44AD on the total credit in the bank account on Rs.1,10,35,581/- and Rs.20,000/- as treated as income from other sources and concluded the assessment u/s.144 of the Act dated 30.10.2019.

4. Aggrieved by the order of the AO, the assessee preferred an appeal before the Id.CIT(A), NFAC on 05.12.2019.
5. At the outset, we observed that Id.CIT(A) has dismissed all the grounds of appeal filed by the assessee as detailed in Para 6 to 14 of the Id.CIT(A) order by confirming the order of the AO by passing an order dated 30.10.2019. The Id.AR submitted that the Id.CIT(A) had not given proper opportunity before passing the impugned order including non granting of personal hearing and any order passed in violation of the principles of natural justice in nullity in law. In view of the above, the Id.AR prayed for one more opportunity before the AO, since the exparte order has been passed by the AO. 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 the Assessing Officer provided sufficient opportunity to appear before them. However, the assessee has been negligent in responding to the statutory notices in time and hence, prayed for confirming the order of the Id.CIT(A).
7. We have heard 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 order by making an addition of Rs.12,74,080/- as unexplained cash deposit u/s.69A r.w.s.115BBE of the Act and Rs.8,82,926/- as Business Income at the rate of 8% u/s.44AD on the total credit in the bank account on Rs.1,10,35,581/- by treating the entire credits as business receipts and Rs.20,000/- as income from other sources and the same has been dismissed by the Id.CIT(A)-NFAC. Since, the assessee has failed to participate before the Assessing Officer from time to time, we levy the cost of Rs.5,000/- 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 AO and direct the 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, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the court on 13th October, 2025 at Chennai.

Sd/-

(मनु कुमार गिरि)

(MANU KUMAR GIRI)

न्यायिक सदस्य/**JUDICIAL MEMBER**

Sd/-

(एस. आर. रघुनाथा)

(S. R. RAGHUNATHA)

लेखासदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,

दिनांक/Dated, the 13th October, 2025

jk

आदेश की प्रतिलिपि □ ग्रेषित/Copy to:

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