

आयकर अपीलिय अधिकरण, 'डी' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'D' BENCH: CHENNAI**

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री जगदीश, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.2709/Chny/2025
निर्धारणवर्ष/Assessment Year: 2017-18

Thangamariappan Saraswathi, No.10, Muthumariamman Koil Street, MGR Nagar, Chennai-600 078. [PAN: CEIPS 6251 P]	v.	The ITO, Non Corporate Circle-19(1), Chennai.
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Mr. Y. Sridhar, FCA
प्रत्यर्थी की ओर से /Respondent by	:	Mr.R. Raghupathy, Addl.CIT
सुनवाईकीतारीख/Date of Hearing	:	19.11.2025
घोषणाकीतारीख /Date of Pronouncement	:	04.12.2025

आदेश / ORDER

PER ABY T. VARKEY, JM:

This is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter referred to as 'Ld.CIT(A)'), Delhi, dated 11.08.2025 for the Assessment Year (hereinafter referred to as 'AY') 2017-18.

2. Ground No.1 of the assessee is against the action of the Ld.CIT(A) passing the impugned order without adhering to the principles of natural justice and confirming the addition of ₹37,56,500/- u/s.69 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act').



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3. The brief facts of the case are that the assessee is an individual, who had filed return of income (RoI) for AY 2017-18 on 20.09.2017 admitting total income at ₹9,37,740/-. The return was selected for scrutiny by CASS [cash deposited during demonetization period]. The AO is noted to have issued notice dated 18.12.2019 asking the assessee to prove the nature and source of Specified Bank Notes (SBNs) deposited during demonetization period to the tune of ₹37,56,500/-; and the AO acknowledges that the assessee had filed reply vide letter dated 20.12.2019, but, according to him, the assessee didn't produce any evidence to substantiate the same. Therefore, he didn't accept the explanation offered by the assessee and added ₹37,56,500/- u/s.69 of the Act. Aggrieved, the assessee preferred an appeal before the Ld.CIT(A) who noticed that despite issuing notices on four (4) occasions, the assessee didn't submit any documentary evidence to substantiate the grounds of appeal filed before him. Therefore, the Ld.CIT(A) finding no documentary evidence to substantiate the nature and source of cash deposits made during demonetization period was pleased to confirm the action of the AO.

4. Aggrieved by the aforesaid action of the Ld.CIT(A), the assessee is before us.



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5. We have heard both the parties and perused the material available on record. The assessee in order to prove the nature and source of ₹37,56,500/- [SBNs deposited demonetization period] has filed the following documents before us :-

Sl.No.	Particulars	Page Nos.	
		From	To
1	ITR V for AY 2017-18	1	2
2	Computation of Income along with financial statement for the year ended 31.03.2017	3	14
3	Copy of Form 3CB-3CD	15	33

6. However, from a perusal of the assessment order and impugned order of the Ld.CIT(A), it is noted that the assessee didn't file any relevant documents to substantiate the explanation given by her in her reply dated 20.12.2019 [before the AO]. Therefore, the AO confirmed the addition made u/s.69 of the Act; and the Ld.CIT(A) finding the assessee not responding to his notices has confirmed the action of the AO. In this regard, we find from perusal of the assessment order dated 20.12.2019 that even though notice u/s.143(2) of the Act was issued on 24.09.2018, due to change in jurisdiction [pursuant to the order passed by the Pr.CCIT, Tamil Nadu dated 01.10.2019], the new incumbent AO is noted to have issued fresh show cause notice to the assessee only on 18.12.2019 and the assessee has filed the reply within two days i.e. on 20.12.2019 and the AO has passed assessment order on 20.12.2019 i.e. on the same day. Therefore, we find that no proper opportunity was given to the assessee to produce relevant material to substantiate the nature and source of the SBNs deposited during demonetization period to



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the tune of ₹37,56,500/-. Therefore, we are inclined to set aside the impugned order of the Ld.CIT(A) and restore the assessment back to the file of the AO for de novo assessment and the assessee is directed to file all the relevant documents to substantiate the nature and source of the SBNs during demonetization period and the AO to pass order in accordance to law. For such an action, we rely on the decision of the Hon'ble Supreme Court in the case of TIN Box Co. v. CIT reported in [2001] 249 ITR 216 (SC)

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

Order pronounced on the 04th day of December, 2025, in Chennai.

Sd/-
(जगदीश)
(JAGADISH)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-
(एबी टी. वर्की)
(ABY T. VARKEY)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 04th December, 2025.

TLN

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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