

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
RANCHI BENCH, RANCHI**

**BEFORE SHRI N.S SAINI, ACCOUNTANT MEMBER AND  
PAVAN KUMAR GADALE, JUDICIAL MEMBER**

**ITA No.317/Ran/2016**  
Assessment Year: 2011-12

Satpal Saqchdev (HUF)Om Tower, SB Shop Area, Bistupur, Jamshedpur	Vs.	ITO,, Ward -3(1), Jamshedpur
PAN/GIR No. <b>AAKHS 1735 G</b>		
Appellant	..	( <b>Respondent</b> )

Assessee by: Shri S.K.Poddar/Devesh Poddar, Adv  
Revenue by : Shri A.K.Mohanty, JCIT

**Date of Hearing : 22/05/ 2018**

**Date of Pronouncement : 23/05/ 2018**

**ORDER**

**Per N.S.Saini, AM**

This is an appeal filed by the assessee against the order of the CIT(A), Jamshedpur dated 16.9.2016 for the assessment year 2011-2012.

2. The assessee has raised the following grounds of appeal:

"1. For that the initiation of proceedings u/s.147 was unjustified, illegal and incorrect. The appellant filed the return of income which was processed u/s.143(2). The proceedings u/s.147 were initiated on the



ground that in the saving bank account appellant had made deposits of Rs.10 lakhs as per AIR/CIB information. Now show cause notice was issued to the appellant to explain the bank deposits. Merely, because there were deposits in SB A/c initiation of proceedings u/s.147 was not justified.

2. For that appellant could not make compliance as and when asked for due to unforeseen tragedies in the family.

3. For that the deposits made in the bank account was explained and all the details were filed before the AO as well as before the CIT(A). AO estimated income from interest @ 8% on the total deposits made in Saving Bank account. Appellant has filed details of deposits which was accepted and an estimate of interest was made. That be so, the reasons mentioned in the order of assessment for initiation of proceedings u/s.147 was not even followed for the purposes of assessment.

4. For that there was no basis or reason for making an estimate of interest income on the deposits made in the bank account. Interest, if any, accrued in the SB account was dly disclosed in the return of income filed. Interest, if any, received from any other person was also disclosed. The detail of the total deposits in the bank account was also factually incorrect. The assessment of interest income on an incorrect figure is illegal. The assessment of estimated interest is also illegal and uncalled for. The addition is fit to be deleted.

5. For that the interest u/s.234A and 234B should be charged on the returned income and not on the assessed income following the decision of Hon'ble Jharkhand High Court."

3. The assessee also raised an additional ground, which reads as under:

"For that the notice u/s.143(2) was not issued after return of income was filed in response to notice u/s.148, as such, order passed is ab inito void and illegal following the decision of Hon'ble apex court in the case of ACIT vs. Hotel Blue Moon, 321 ITR 362."

4. Ld A.R. of the assessee submitted that as the additional ground goes to the root of the matter ad is purely a legal issue, same should be admitted in view of the decision of Hon'ble Supreme Court in the case of CIT vs.

NTPC, 229 ITR 363 (SC). Ld D.R. had no objection to the admission of additional ground raised by the assessee. We, therefore, admit the additional ground.

5. We find that this additional ground was not raised before the CIT(A). Both the parties agreed before us that the matter may be restored to the file of the CIT(A) for adjudicating the same as per law. Hence, we restore this additional ground to the file of the CIT(A) for adjudicating the issue after allowing reasonable and proper opportunities of hearing to the assessee.

6. As we have restored the additional ground to the file of the CIT(A), other grounds of appeal on merits of the additions are also restored to the file of the CIT(A) for fresh adjudication.

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

Order pronounced in the open court on 23 /05/2018

Sd/-

(PAVAN KUMAR GADALE)  
**JUDICIAL MEMBER**

sd/-

(N.S Saini)  
**ACCOUNTANT MEMBER**

Ranchi; Dated 23 /05 /2018  
B.K.Parida, SPS

**Copy of the Order forwarded to :**

1. The Appellant : Satpal Saqchdev (HUF)Om  
Tower, SB Shop Area, Bistupur,  
Jamshedpur
2. The respondent: ITO,, Ward -3(1),  
Jamshedpur
3. The CIT(A), Jamshedpur
4. Pr. CIT, Jamshedpur
5. DR, ITAT, Ranchi
6. Guard file.  
//True Copy//

BY ORDER,

SR.PS, ITAT,  
CAMP AT RANCHI