

**IN THE INCOME TAX APPELLATE TRIBUNAL  
Hyderabad ' A ' SMC Bench, Hyderabad**

**Before Smt. P. Madhavi Devi, Judicial Member**

**ITA No.664/Hyd/2017**  
(Assessment Year: 2008-09)

Shri Manohar Reddy                      Vs      Income Tax Officer  
Malipedhi, Hyderabad                      Ward 9(3)  
PAN:ADMPPM6090P                              Hyderabad  
(Appellant)    (Respondent)

For Assessee :                      Shri A.V. Raghuram  
For Revenue :                      Shri Kiran Katha, DR

Date of Hearing:                      25.03.2019  
Date of Pronouncement:                      03.04.2019

**ORDER**

This is assessee's appeal for the A.Y 2008-09 against the order of the CIT (A)-9, Hyderabad, dated 29.12.2016.

2.            Brief facts of the case are that the assessee, an individual, is an iron and steel merchant and was carrying on his business activity under the name and style of M/s. Balaji Iron, Steel & Hardware Mart. For the relevant A.Y, he filed his return of income on 14.11.2008 declaring a total income of Rs.2,30,245/- and agricultural income of Rs.25,000/-.

3.            During the assessment proceedings u/s 143(3) of the Act, the AO noticed that the assessee had introduced additional capital of Rs.7,64,736/- during the year without offering the same to income tax in the computation statement and that he did not

explain the sources for the additional capital introduced. Observing that the income of Rs.7,64,736/- had escaped assessment, the case was reopened u/s 147 after recording the reasons. During the re-assessment proceedings also, none appeared for the assessee and therefore, the AO treated the sum of Rs.7,64,736/- as unexplained investment u/s 69 of the Act and brought it to tax. Aggrieved, the assessee preferred an appeal before the CIT (A) challenging the validity of the notice u/s 148 and also the addition made u/s 69 of the Act. The CIT (A) confirmed the order of the AO.

4. Aggrieved, the assessee is in second appeal before us by raising the following grounds of appeal:

*“1. On the facts and in the circumstances of the case, the order of the Id. Commissioner of Income Tax (Appeals) dismissing the appeal of the Appellant is erroneous, illegal and unsustainable in law.*

*2. The Id. Commissioner (Appeals) erred in sustaining the action of the Assessing Officer on the issue of reopening assessment, de hors any material. The Id. Commissioner (Appeals) ought to have appreciated that even in a case where there is no scrutiny assessment, assessment can be reopened based on the fresh information that has come into the possession of the Assessing Officer.*

*3. Without prejudice to above ground, the Id. Commissioner (Appeals) erred in sustaining the addition of Rs.7,64,736 made under section 69 as unexplained capital introduced by the Appellant. The Id. Commissioner (Appeals) failed to appreciate the evidence submitted by the Appellant and so also the submissions made by the Appellant in proper perspective.*

*For these and other grounds that may be urged at the time of hearing, it is prayed that the Hon'ble Tribunal may be pleased to allow the appeal”.*

5. The learned Counsel for the assessee submitted that the additional capital of Rs.7,64,736/- was introduced by the assessee in various stages and the sources are stated to be out of the contribution made by his wife Mrs. Girija out of her personal savings. Observing that no details with regard to his wife's income or tax statements are filed by the assessee, the CIT (A) confirmed the addition. The learned Counsel for the assessee reiterated the submissions made before the authorities below. On a query raised by us during the course of hearing, the learned Counsel for the assessee admitted that the assessee's wife has no independent source of income and that she is not an independent tax assessee. But he submitted that it cannot be ruled out that she had her own personal savings which she has contributed to her husband and some amount may be accepted as her contribution.

6. The learned DR, however, supported the orders of the authorities below and submitted that the onus was on the assessee to prove the sources of investment and since the assessee has failed to discharge the onus, the CIT (A) has rightly confirmed the additions made by the AO towards the unexplained investment to tax.

7. Having regard to the rival contentions and the material on record, I find that the assessee has tried to explain the sources for the additional capital as a contribution from her wife. Admittedly, the assessee's wife has no independent source of income. Although assessee's contention that she also could have contributed from her personal savings cannot be ruled out totally,

without any evidence, the same cannot be accepted or given any credit. Therefore, I see no reason to interfere with the order of the CIT (A) in confirming the addition made by the AO. Assessee's appeal is accordingly dismissed.

8. In the result, assessee's appeal is dismissed.

Order pronounced in the Open Court on 3<sup>rd</sup> April, 2019.

**Sd/-**  
**(P. Madhavi Devi)**  
**Judicial Member**

Hyderabad, dated 3<sup>rd</sup> April, 2019.

**Vinodan/sps**

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- 5 The DR, ITAT Hyderabad
- 6 Guard File

*By Order*