

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCH 'SMC-B', HYDERABAD**

**BEFORE SHRI A. MOHAN ALANKAMONY,
ACCOUNTANT MEMBER**

ITA No. 102/Hyd/2018
Assessment Year: 2010-11

Sangani Raju, Hyderabad. vs. Income-tax Officer,
Ward – 12(1), Hyderabad.

PAN – AFTPR 5136A

Appellant

Respondent

Assessee by: Shri S.B. Kabra
Revenue by: Shri K. Gopala Krishna

Date of hearing: 24/07/2019
Date of pronouncement: 19/09/2019

ORDER

This appeal is filed by the assessee aggrieved by the order of CIT(A) – 1, Hyderabad dated 29/08/2017 in appeal No. 0197/CIT(A)-1/Hyd/2013-14/2017-18 passed u/s 143(3) r.w.s 250(6) of the I.T. Act.

2. The assessee has raised several grounds in his appeal, however, the crux of the issue is that Id. CIT(A) has erred in confirming the order of Id. AO, who has made addition of Rs. 17,98,175/- being unexplained cash deposit in the bank account of the assessee.

3. Brief facts of the case are that assessee is an individual earning income from salary and other sources filed his return of income for the AY 2010-11 on 03/08/2010 admitting total income of Rs. 3,24,835/-. Thereafter, the case was selected for scrutiny as it was revealed in the AIR information that the assessee had made cash deposits to the tune of Rs. 17,98,175/- in his savings bank account.

3.1 During the course of scrutiny assessment proceedings, it was observed by the Ld.AO that the assessee had deposited cash amounting to Rs. 17,98,175/- in his bank account maintained with Syndicate Bank in the name of M/s.Saraswathi Educational Society by using his PAN No., and further deposited cash of Rs. 4,30,000/- in his saving Bank account maintained with Ing Vysya Bank, both aggregating to Rs. 22,28,175/-. Since the assessee did not furnish proper explanation with respect to the source of cash deposits, Id. AO added the said amount of Rs. 22,28,175/- to the income of the assessee as his unexplained cash deposits in bank accounts.

4. On appeal, Id. CIT(A) deleted the addition made for Rs. 4,30,000/-, however, confirmed the addition of Rs. 17,98,175/- with respect to the cash deposit made in Syndicate Bank in the name of Saraswathi Educational Society as the same remained unexplained.

5. Aggrieved by the order of CIT(A), the assessee is in appeal before the Tribunal.

6. At the outset, Id. AR submitted before me that the entire amount of Rs. 17,98,175/- received by the assessee was the fees due to M/s. Saraswathi Educational Society and the same was accounted in the books of accounts of M/s. Saraswathi Educational Society. It was further submitted that the amounts collected and deposited in the bank account was subsequently utilized for the activities of M/s.Saraswathi Educational Society and not misappropriated by the assessee. Ld. AR further explained that since bank account could not be opened in the name of M/s.Saraswathi Educational Society as it did not have PAN No., the bank account was opened using PAN No., of the assessee. It was, therefore, pleaded that the

matter may be remitted back to the file of Id. AO for fresh examination.

7. Ld. DR, on the other hand, did not seriously object to the submission of the Id. AR for remitting back the matter to the file of Id. AO for verification.

8. After hearing both the parties, I am of the considered view that the facts explained by the Ld.AO are required to be examined properly by the Id. AR afresh in order to ensure miscarriage of justice. As claimed by the Id. AR, if the entire amount received by the assessee was on behalf of M/s.Saraswathi Educational Society, being the fees due to M/s.Saraswathi Educational Society and further the same was utilized for the activities of the M/s.Saraswathi Educational Society, then it would not be appropriate on the part of the Revenue to treat it as income in the hands of the assessee. Therefore, in the interest of justice, I hereby remit the matter back to the file of Id. AO for de-novo consideration.

9. In the result, appeal of the assessee is treated as allowed for statistical purposes.

Pronounced in the open court on 19th September, 2019.

Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER

Hyderabad, dated 19th September, 2019.

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Copy forwarded to:

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Vanasthalipuram, Hyderabad – 500 070.*
2. *ITO, Ward – 12(1), Hyderabad.*
3. *CIT(A) – 1, Hyderabad.*
4. *Pr. CIT – 1, Hyderabad*
5. *The DR, ITAT, Hyderabad*
6. *Guard File*