

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'A' BENCH : BANGALORE  
BEFORE SHRI. A.K GARODIA, ACCOUNTANT MEMBER  
AND  
SMT. BEENA PILLAI, JUDICIAL MEMBER**

<b>ITA No.2441/Bang/2018</b>
<b>Assessment Year : 2013-14</b>

Sheela Pattikonda Vishnukumar, C/o Lakshmi Picture Palace, Hampi Road, Hospete, Bellary District-583 201.  <b>PAN : ACOPV 3103 B</b>	<b>Vs.</b>	The Income Tax Officer, Ward-2, Bellary District.
<b>APPELLANT</b>		<b>RESPONDENT</b>

Appellant by	:	Shri Mallha Rao, Advocate
Respondent by	:	Ms. Neera Malhotra, CIT (DR)

Date of Hearing	:	30-07-2020
Date of Pronouncement	:	14-08-2020

**ORDER**

**PER BEENA PILLAI, JUDICIAL MEMBER**

Present appeal has been filed by assessee against order dated 29.06.2018, passed by Ld.CIT(A), Gulbarga, for assessment year 2013-14, on following grounds of appeal, on following grounds of appeal:

- 1. The order of the Learned Appellate Authority is opposed to law, equity, facts, and circumstances of the case.*
- 2. The Learned Appellate Authority has erred by making addition of Rs 3,42,36,271/- under Section 69 of the Income Tax Act, 1961 as unexplained investment. The appellant has received confirmation from the concerned parties and most of the transactions taken place through bank.*

*The Ld. Appellate Authority fails to consider such explanations, which is accompanied by the bank statement.*

*3. The Learned Appellate Authority has failed to consider the confirmation letters financial statement and to substantiate her claim and same has been submitted as additional evidence.*

*4. For the above and such other grounds as may be urged at the time of hearing, your appellant prays your Honour to consider the facts and circumstances of the case and render justice.”*

**Brief facts of the case are as under:**

3. Assessee is an individual and derives her income as a partner in Sh.Laxmi Picture Palace Hosapete, salary from fashion Forum India Pvt. Ltd., Channapatna during the year. It is recorded by Ld.AO that, assessee did not filed her return of income for year under consideration and that, there was an information that assessee made investment by way of payment of advance of Rs.2,11,36,746/- to Fashion Forum India Pvt.Ltd., and purchased a residential property at Bommanahalli, Hosur.

4. Ld.AO, accordingly, issued notice under section 148. Assessee vide letter dated 24/03/2070 filed return of income declaring total income of Rs.11,91,800/- in response to notice under section 148. The same was intimated to Ld.AO vide letter dated 10/04/2017. Subsequently, this return was selected for scrutiny and notices under section 142 (1) and 143 (2) were issued to assessee. Assessee was called upon, vide various notices dated 19/06/2017, 06/07/2017, 31/08/2017, 20/09/2017, 09/10/2017, 9/11/2017 and 13/12/2017 to furnish bank statements, statement of affairs, details of movable and immovable properties purchased and sold during the year, with documentary evidence, along with details of source for said investment.

5. On furnishing of details, letter under section 133 (6) was issued to ING Vysys Bank, Laxmi Vilas bank, and The Sub Registrar Bommanhalli, for collecting information.

6. Ld.AO observed that assessee had received salary from partnership firm of Rs.1,164/- and interest from firm at Rs.33,765/-. Assessee also had a capital balance of Rs.3,23,146/- as on 31/03/2013. It was also noted by Ld.AO that assessee earned salary of 12,00,000/- from Fashion Forum India Pvt Ltd. The Ld.AO noted that, during the year assessee advanced a sum of Rs.2,11,36,746/- to Fashion Forum India Pvt Ltd., and assessee purchased residential property on 03/10/2012 for Rs.1,27,96,525/- and made cash deposits of Rs.3,03,000/- in ING Vysya Bank.

7. Assessee was called upon to file cash flow statements, statement of affairs along with sources for said investment vide notices issued under section 142 (1) of the Act.

8. In response to the notices, representative of assessee appeared and submitted that Rs.10 Lacs each was received on 16/08/2012 and 03/10/2012 by way of DD and cash respectively paid directly to seller on behalf of assessee by Mega City Developers Ltd., towards purchase of land. It was submitted that sum of Rs.1,08,07,109/- was received on 01/10/2012 directly by seller on behalf of assessee from Shri C.P.Yogeshwara, towards purchase of land and a sum of Rs.2crores received on 07/02/2013 from VKL Resorts India Pvt.Ltd towards advanced to Fashion Forum India Pvt Ltd.

9. Ld.AO accordingly issued notice under section 133 (6) calling for the details of Ledger accounts along with reasons for issue of amount and mode of payment made to assessee. From annual account of VKL Resort India Pvt Ltd it was observed from Ministry of corporate affairs by Ld.AO that no advances was paid by them to assessee. The same was intimated to assessee by Ld.AO.

10. Representative of assessee appeared before Ld.AO and submitted that, since assessee is not related party to be VKL Resorts India Pvt Ltd., the amount is not appearing in balance sheet. Further, it was also submitted that, source of purchase of land is from Megacity Developers Pvt.Ltd., and her spouse, however no details were furnished by assessee in regards to the same.

11. Due to non-furnishing of relevant details, and non-furnishing of explanation regarding sources of investment amounting to Rs.2,11,36,746/-in Fashion Forum India Pvt. Ltd., Ld.AO made addition under section 69 of the Act, to the extent of Rs.3,42,36,271/-.

12. Before Ld.CIT (A), assessee made identical submissions for which again no documentary evidences were furnished in support. Ld.CIT (A) accordingly dismissed the appeal of assessee by observing as under:

*“5. I have carefully gone through the assessment order and submissions made by the appellant during appellate proceedings. The appellant stated that the investment in residential property was made through DD which va received from Megacity and from her spouse. The appellant had not submitted any other details such as the proof that the amount for drawing the demand draft was receive1 from the Megacity and from her spouse. Further why such amount was received from both the persons was not submitted by the appellant. Further, no concrete documentary evidence in-*

*respect of funds received from the said persons was produced. With regard to the investment Fashion Forum (I)(P) Ltd., as per the assessment order the investment was made from the funds received from VKL Resorts (I) pvt Ltd, but the appellant submitted that the funds were received from Kayaltheeram Builders and resorts India Pvt Ltd which is a sister concern of VKL Resorts (I) Pvt. Ltd. Further no other details were submitted by the appellant such as mode of payment/receipt of such amount and UOSC of receiving such huge amount from said company. Further the appellant had not submitted considerable explanation in respect of cash deposits in ING Vysva Bank. In view of the above and considering the non-submission of reliable documentary evidence that can be considered, the appeal of the assessee cannot be allowed. Hence the appeal of the assessee is dismissed. The ground nos. 1, 2 & 3 are dismissed. The Ground no. 4 is in general, no adjudication required.”*

13. Aggrieved by order of Ld. CIT (A) assessee is before us now. Admittedly, assessee has not furnished any details in respect of the investments made in land as well as deposits lying in bank account. Under these circumstances we are unable to do justice to the issues under consideration.

14. In the interest of Justice, we find it appropriate, to send this issue back to Ld.AO. Assessee is directed to file all relevant details in respect of source of investments made in land as well as amount invested in Fashion Forum Pvt.Ltd., and to substantiate these investments by way of proper documentary evidences. Ld. AO shall then verify all these details and consider claim of assessee in accordance with law.

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**Accordingly, grounds raised by assessee stands allowed for statistical purposes.**

**In the result, appeal filed by assessee stands allowed for statistical purposes.**

Order pronounced in the open court on 14<sup>th</sup> August, 2020.

Sd/-  
(A.K GARODIA)  
Accountant Member

Sd/-  
(BEENA PILLAI)  
Judicial Member

Bangalore,  
Dated, the 14<sup>th</sup> August, 2020.  
/Vms/

**Copy to:**

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore
6. Guard file

By order

Assistant Registrar,  
Income-Tax Appellate Tribunal.  
Bangalore.

		<b>Date</b>	<b>Initial</b>	
1.	Draft dictated on	On Dragon		Sr.PS
2.	Draft placed before author	-08-2020		Sr.PS
3.	Draft proposed & placed before the second member	-08-2020		JM/AM
4.	Draft discussed/approved by Second Member.	-08-2020		JM/AM
5.	Approved Draft comes to the Sr.PS/PS	-08-2020		Sr.PS/PS
6.	Kept for pronouncement on	-08-2020		Sr.PS
7.	Date of uploading the order on Website	-08-2020		Sr.PS
8.	If not uploaded, furnish the reason	--		Sr.PS
9.	File sent to the Bench Clerk	-08-2020		Sr.PS
10.	Date on which file goes to the AR			
11.	Date on which file goes to the Head Clerk.			
12.	Date of dispatch of Order.			
13.	Draft dictation sheets are attached	No		Sr.PS