

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM "SMC" BENCH, VISAKHAPATNAM**
(Through web-based video conferencing platform)

BEFORE SHRI V. DURGA RAO, HON'BLE JUDICIAL MEMBER

**I.T.A. No. 652/VIZ/2019
(Asst. Year : 2014-15)**

Mahaboob Basha
Mohammad, 70-17-28/3,
Kundlupeta, RTO Office
Junction, NFCL Road,
Kakinada.

vs.

ITO, Ward-1,
Kakinada.

PAN No. BBUPM 5753 J
(Appellant)

(Respondent)

Assessee by : Shri M.Gangaraju Sharma, CA.
Department By : Shri B. Rama Krishna, Sr.DR

Date of hearing : 26/11/2020.
Date of pronouncement : 27/11/2020.

ORDER

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals)-2, Guntur, dated 11/09/2019 for the Assessment Year 2014-15.

2. Facts of the case in brief are that the assessee had purchased a house property worth Rs.22,29,390/- on 28/06/2013. The assessee has explained the source for Rs.19,29,390/-. When the AO has doubted the source of Rs.3,00,000/-, it was submitted that gold belonging to his wife and mother-in-law was sold,

however, the assessee has not produced relevant evidence before the AO, therefore the AO added the same to the total income of the assessee u/sec. 69 of the Income Tax Act, 1961 (hereinafter referred to as 'Act').

3. On appeal, Id. CIT(A) confirmed the order of the AO.

4. On appeal before the Bench, Id.AR has submitted that assessee has taken jewel loans from the Syndicate Bank Dairy Farm Central Branch, Kakinada as follows:-

| | | |
|----------------------------|------------|----------------|
| 1. A/c. No. 32621280000878 | 10/06/2013 | Rs. 2,41,000/- |
| 2. A/c No.32621280000882 | 10/06/2013 | Rs. 1,20,000/- |
| 3. A/c No.32621280000936 | 18/06/2013 | Rs. 81,000/- |

Out of which, Rs. 3,00,000/- was invested in a new property.

He also filed a confirmation letter from the Syndicate Bank, dated 14/11/2019. Insofar as explanation given before the AO is concerned, it was submitted that the source was wrongly explained, however, the fact remains that the assessee's wife gold as well as mother-in-law gold was sold to one K.Periaswamy on 25/07/2013 to clear the jewel loans obtained from Syndicate Bank.

5. Ld.DR strongly relied on the orders of the authorities below.

6. I have heard both the parties and perused the material available on record.

7. The only dispute in this appeal is in respect of Rs. 3,00,000/- The property was purchased by the assessee on 28/06/2013 and the assessee has obtained jewel loans of Rs.2,41,000/-, Rs.1,20,000/- and Rs. 81,000/- on 10/06/2013, 10/06/2013 and 18/03/2013 respectively. Therefore, I find that assessee has explained the source fully, hence, addition cannot be made u/sec. 69 of the Act. Thus, the order passed by the Id. CIT(A) is set aside and allow the appeal of the assessee.

8. In the result, appeal filed by the assessee is allowed.

Order Pronounced in open Court on this 27th day of Nov., 2020.

Sd/-
(V. DURGA RAO)
Judicial Member

Dated: 27th November, 2020.

vr/-

Copy to:

- 1. The Assessee - Mahaboob Basha Mohammad, 70-17-28/3, Kundlupeta, RTO Office Junction, NFCL Road, Kakinada.*
- 2. The Revenue - ITO, Ward-1, Kakinada.*
- 3. The Pr.CIT-2, Visakhapatnam.*
- 4. The CIT(A)-2, Visakhapatnam.*
- 5. The D.R., Visakhapatnam.*
- 6. Guard file.*

By order

(VUKKEM RAMBABU)
Sr. Private Secretary,
ITAT, Visakhapatnam.