

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCH "SMC", HYDERABAD
(Through Virtual Hearing)

BEFORE SHRI A. MOHAN ALANKAMONY,
ACCOUNTANT MEMBER

ITA No.1377/Hyd/2019		
Assessment Year: 2015-16		
Munni Baiggari, Hyderabad. PAN: AKKPB 2046 D (Appellant)	Vs.	Income Tax Officer, Ward-2(3), Tirupati. (Respondent)
Assessee by:	Smt. S. Sandhya	
Revenue by:	Shri Rohit Mujumdar, DR	
Date of hearing:	15/12/2020	
Date of pronouncement:	05/01/2021	

ORDER

PER A. MOHAN ALANKAMONY, AM.:

This appeal is filed by the assessee against the order of the Ld. CIT (A), Tirupati in appeal No. 10026/2018-19/CIT(A)/TPT, dated 10/06/2019 passed U/s. 143(3) r.w.s 250(6) of the Act for the AY: 2015-16.

2. The assessee has raised four grounds in her appeal and they are extracted herein below for reference:-

"1. *The order of the Ld. CIT (A) is erroneous both on facts and in law.*

2. *The Ld. CIT (A) erred in confirming the action of the Assessing Officer in dealing into the issues which are not governed by the guidelines under CASS.*
3. *The Ld. CIT (A) erred in holding that the addition made of Rs. 5 lakhs by the Assessing Officer cannot be contested as it is an agreed addition. The Ld. CIT (A) ought to have deleted the addition of Rs. 5,00,000/- made by the Assessing Officer.*
4. *Any other ground or grounds that may be urged at the time of hearing.”*

3. The brief facts of the case are that the assessee is an individual earning income from House Property, Capital Gains and other sources filed her return of income on 18/2/2016 declaring total income of Rs. 2,99,750/-. The case of the assessee was taken up for scrutiny under CASS and thereafter assessment was completed U/s. 143(3) of the Act on 28/12/2017 wherein the Ld. AO made an addition of Rs. 5 lakhs towards cash deposited in the bank account along with an addition of Rs. 1,35,100/- towards low drawings. The lone ground raised in the appeal before is with respect to the addition made for Rs.5,00,000/- towards cash deposited in the bank account of the assessee. During the course of scrutiny assessment proceedings, it was observed by the Ld. AO that the assessee had deposited Rs. 5 lakhs on 2/5/2014. On query, the assessee has explained that the same was out of the sale proceeds of her immovable properties. The assessee also produced certain evidence to substantiate the same. However, the Ld. AO brushed aside the submissions of the assessee and opinion that the source of deposit

of Rs. 5 lakhs in the bank account of the assessee is not properly explained and therefore made addition of the same U/s. 68 of the Act. On appeal, the Ld. CIT (A) confirmed the order of the Ld. AO by agreeing with his view.

4. At the outset, we do not find much merit in the findings of the Ld. Revenue Authorities. The assessee has her own source of income apart from the income earned by the other members of her family. Considering the financial background of the assessee, I am of the view that the addition of Rs. 5 lakhs made in the hands of the assessee U/s. 68 of the Act is not appropriate. Moreover, from the order of the Ld. AO it is not clear as to for what reason the Ld. AO has not accepted the explanation offered by the assessee with various documentary evidence. The Ld. CIT (A) has also simply followed the findings of the Ld. AO without proper verification. Considering these facts and circumstances of the case, I hereby direct the Ld. AO to delete the addition made for Rs. 5 lakhs in the hands of the assessee as unexplained cash deposit in her bank account.

5. In the result, appeal of the assessee is allowed.

Pronounced in the open Court on 05th January, 2021.

Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER

Hyderabad, Dated: 05th January, 2021.

OKK

Copy to:-

- 1) Munni Baiggari, 19-8-213, HathiRamji Colony, R.C. Road, Bairagipateda, Tirupati - 517501.
- 2) Income Tax Officer, Ward-2(3), K.T. Road, Tirupati, Andhra Pradesh - 517507.
- 3) The CIT (A), Tirupati.
- 4) The Principal Commissioner of Income Tax, Tirupati.
- 5) The DR, ITAT, Hyderabad
- 6) Guard File