

आयकर अपीलीय अधिकरण , ' सी ' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**" C " BENCH, CHENNAI**

श्री धुव्वुरु आर. एल रेड्डी, न्यायिक सदस्य एवं, श्री एस जयरामनलेखा सदस्य समक्

**BEFORE SHRI DUVVURU RL REDDY, JUDICIAL MEMBER AND**  
**SHRI S. JAYARAMAN, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No. 1332/Chny/2019

निर्धारण वर्ष/Assessment Year : 2014-15

Smt. Mahadevamma Sundar,  
New No. 151, Old No. 68,  
T.T.K. Road, Alwarpet,  
Chennai – 600 018.

The Income Tax Officer,  
Vs. Non-Corporate Ward – 20(5),  
Chennai 600 034.

**[PAN: AHVPM 5508M]**

**(अपीलार्थी/Appellant)**

**(प्रत्यर्थी/Respondent)**

अपीलार्थी की ओर से/Appellant by

: Shri. S. Sridhar, Advocate

प्रत्यर्थी की ओर से/Respondent by

: Shri. G. Johnson, Addl. CIT

सुनवाईकीतारीख/Date of Hearing

: 01.12.2020

घोषणाकीतारीख/Date of Pronouncement

: 06.01.2021

**आदेश/ O R D E R**

**PER S. JAYARAMAN, ACCOUNTANT MEMBER:**

The assessee filed this appeal against the order of the Commissioner of Income Tax (Appeals)-14, Chennai, in ITA No. 281/CIT(A)-14/2016-17 dated 30.01.2019 for assessment year 2014-15.

2. Smt. Mahadevamma Sundar, the assessee filed her return of income for assessment year 2014-15 admitting the total income of Rs. 10,66,920/- and an agricultural income of Rs. 25,05,000/-. During the scrutiny proceedings, the AO found that the assessee had deposited in bank on various dates to the extent of Rs. 69,80,000/-. After examining the assessee's claim the AO refused to accept the assessee's explanation towards the sources of deposits in the bank account and assessed Rs. 25,05,000/- as income from other sources and Rs. 44,75,000/- as an unexplained cash credits u/s. 68. Aggrieved, the assessee filed an appeal before the CIT(A). After considering the assessee's submissions etc, the Ld CIT(A) upheld addition of Rs. 16,00,000/- as an income from other sources and Rs. 29,00,000/- as an unexplained credits u/s. 68. Aggrieved against that order, the assessee filed this appeal.

3. The case was posted for hearing through video conferencing. The Ld. AR submitted that the assessee's source of income are rental income from property, one of the tenant is Indian Overseas Bank itself and interest income from bank deposits and agricultural income only. The assessee has been offering agricultural income every year for more than 20 years and she owns 41.5 acres of agricultural land. The assessee has produced relevant material and certificates that shown agricultural activities. The Assessing Officer has also verified the bills for purchase of manures and payment of labour etc. Out of all the deposits in the bank at Rs. 69,80,000/- on various dates, the assessee explained that the sources of deposits are out of agricultural income of current year and out of

agricultural income earned in the earlier years. However, the Assessing Officer refused to accept the explanation and assessed Rs. 25,05,000/- as income from other sources and added Rs. 44,75,000/- as an unexplained cash credits u/s. 68. Before the Commissioner of Appeals, a statement of agricultural income from financial year 2009-10 was filed which shows year wise agricultural income, the amount deposited in bank year wise and amount carry forward as cash in hand after deducting the drawings and other expenses to prove that the sources of deposits are out of agricultural income. The Ld. AR inviting our attention to the paperbook wherein, cumulative cash flow from agricultural activities from financial year 2009-10 to 2013-14 is in Page No. 148 and other documents submitted that when the assessee's admitted agricultural income from assessment year 2009-10 onwards is accepted by the department, and her sources of income being the rent received from tenants which included even Indian Overseas Bank and when the assessee is not having any business activities to earn other income, the Ld. CIT(A) could have called for a remand report from Assessing Officer or ought to have examined the assessee's claim. Without doing so, the Ld. CIT(A) simply accepted the sources of deposits to the extent of admitted agricultural income of the current year and Rs. 16,00,000/- deposited on 04.03.2004 out of closure of FD. The Assessing Officer basically had a pre-determined opinion that just because an amount is not deposited in bank for a certain period, it would be from an unexplained sources and assessed the income without examining the facts and circumstances and the material filed before him. The Ld. CIT(A) also failed to appreciate the material furnished

before him and concluded the appeal based on the same satisfaction recorded by the Assessing Officer. The assessee's admitted agricultural income in the earlier years have been accepted by the department both u/s. 143(1) under scrutiny assessments. The agricultural income admitted by the assessee during the current year is also accepted up to the level of Ld. CIT(A) without any variation. The assessee's substantial income is from agricultural operations and she has produced substantial evidences etc. She is having only rental income as other sources. Though, she is not required to maintain any books of account in respect of the agricultural income, there is no prohibition in law to retain the cash in hand etc., she has filed the cash flow statements etc to prove that the sources of impugned deposits before the Ld. CIT(A). Inviting our attention to the various copies of revenue records which is showing the nature of land, cumulative cash flow statement etc., the Ld. AR pleaded that the conclusion arrived by the Ld. CIT(A) and the lower authorities without due consideration of the material placed before them is not justified and hence pleaded to allow the appeal.

4. Per contra, the Ld. DR submitted that the Ld. CIT(A) duly considered the assessee's submissions and gave due credit for the deposits made on 24.04.2013, 17.12.2014, 24.02.2014, 04.06.2014 to the extent of Rs. 24,80,000/-. However, for the deposits made on 29.03.2014 Rs. 16lakhs + 8 lakhs and 29.03.2014 at Rs. 24 lakhs claimed to have been out of agricultural income of earlier years, the Ld. CIT(A) duly considered the explanation given by

the assessee that the bank is located in a far away was disproved by the Assessing Officer. Even if there was earlier years incomes available in the hands of the assessee, the same must have been deposited as on 20.04.2013, when the assessee made the first deposit with the bank during the year and there is no reason why the assessee was holding the amount till 29.03.2014. Therefore, the Ld. CIT(A) has correctly decided the appeal and accordingly supported the orders of the lower authorities.

5. We heard the rival submissions and gone through the relevant material. The assessee's sources of income are rental income, interest from bank receipts and agricultural income. Substantial agricultural income is admitted by the assessee and the same has been accepted from the assessment years 2009-10, 2010,-11 & 2013-14 u/s. 143(1) and for the assessment years 2012-13 & 2014-15 under scrutiny. The admitted income is not varied during the period relevant to this assessment year 2014-15 also. The assessee pleads that the sources of deposits in the bank accounts are from agricultural income retained from the earlier years and filed detailed cash flow statement etc before the Ld. CIT(A) which should have been duly examined with the relevant facts and circumstances of the assessee. Since, it has not been done in this case, in the interests of justice, we are of the view that this issue requires to be remitted back for a fresh examination at a level of AO. Therefore, we deem it fit to remit this issue back to the AO for a fresh examination. The assessee shall furnish the relevant particulars/materials in support of her contention and comply with the

requirements of the AO in accordance with the law. The AO on due examination of them and after giving due opportunity to the assessee, shall decide the issue in accordance with law by a speaking order.

6. In the result, the assessee's appeal is treated as partly allowed for statistical purposes.

Order pronounced on 06<sup>th</sup> January, 2021 at Chennai.

**Sd/-**

(धुव्वुरुआर.एलरेड्डी)

**(DUVVURU RL REDDY)**

**न्यायिकसदस्य/JUDICIAL MEMBER**

**Sd/-**

(एसजयरामन)

**(S. JAYARAMAN)**

**लेखासदस्य/Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated: 06<sup>th</sup> January, 2021

**JPV**

आदेशकीप्रतिलिपिअग्रेषित/Copy to:

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|------------------------|--------------------------|-----------------------------|
| 1. अपीलार्थी/Appellant | 2. प्रत्यर्थी/Respondent | 3. आयकरआयुक्त) अपील(/CIT(A) |
| 4. आयकरआयुक्त/CIT      | 5. विभागीयप्रतिनिधि/DR   | 6. गार्डफाईल/GF             |