

IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCH "SMC", HYDERABAD

BEFORE SHRI A. MOHAN ALANKAMONY,  
ACCOUNTANT MEMBER

ITA No.352/Hyd/2021		
Assessment Year: 2017-18		
Mangasamudram Hemakumar, Chittoor. PAN: ADKPH 7092 Q	Vs.	Income Tax Officer, Ward-1, Chittoor.
(Appellant)		(Respondent)
Assessee by:	Sri Kumar Pal Jain	
Revenue by:	Sri B. Ramakrishna, Sr. AR	
Date of hearing:	05/01/2022	
Date of pronouncement:	10/01/2022	

ORDER

PER A. MOHAN ALANKAMONY, AM.:

This appeal is filed by the assessee against the order of the Ld. CIT (A), National Faceless Appeal Centre (NFAC), Delhi in DIN No. ITBA/NFAC/S/250/2021-22/1034385659(1), dated 23/07/2021 passed U/s. 143(3) r.w.s 250(6) of the Act for the AY 2017-18.

2. The assessee has raised five grounds in his appeal and they are extracted herein below for reference:

- "1. The Ld CIT (A), NFAC erred both on facts and in law passing the appeal order under section 250 of the Act.*

2. *The Ld CIT (A) NFAC ought to have appreciated the fact that the cash was deposited in the bank account out of business receipts and personal and family savings.*
3. *The Ld. CIT (A), NFAC erred in sustaining the addition of Rs. 7,34,500 towards unexplained cash U/s. 69A of the Act.*
4. *The Ld. CIT (A), NFAC ought to have appreciated the fact that the assessee is a business man and his family is having income source other than one business.*
5. *The appellant may add or alter or amend or modify or substitute or delete and / or rescind all or any other grounds of appeal at any time before or at the time of hearing of the appeal.”*

3. Brief facts of the case are that the assessee is an individual filed his return of income for the AY 2017-18 declaring total income of Rs. 3,44,900/-. Thereafter, the case was selected for scrutiny under CASS and the notice U/s. 143(2) was issued and served on the assessee. During the scrutiny proceedings, the Ld. AO observed that the assessee was engaged in FMCG business during the relevant assessment year and declared his turnover as Rs. 2,19,01,510/-. It was further observed by the Ld. AO that during the relevant previous year the assessee had made cash deposits to the tune of Rs. 32,34,490/- which was during the demonetization period. After verification of the record furnished by the assessee, the Ld.AO made addition of Rs. 7,34,500/- on account of unexplained cash deposits and completed the assessment on 28/12/2019 determining the total income of Rs. 10,79,400/-. Aggrieved, assessee filed appeal before the Ld. CIT (A). On appeal, the Ld. CIT (A) held that no documentary evidence was produced before the

ld. CIT (A) to substantiate against the addition made by the Ld. AO and passed ex-parte order dismissing the appeal of the assessee. Aggrieved, assessee is in appeal before the Tribunal.

4. At the outset, the Ld. AR submitted before us that the assessee could not file the documentary evidence before the Ld. Revenue Authorities at the time of the proceedings before them due to paucity of time. It was further submitted that now the assessee is able to produce the requisite documentary evidence before the ld. Revenue Authorities to substantiate the cash deposits made by the assessee. Therefore, it was pleaded, that the matter may be remitted back and thereby grant one more opportunity to the assessee to substantiate his claim before the ld. Revenue Authorities. On the other hand, Ld. DR relied on the orders of the Ld. Revenue Authorities.

5. I have heard the rival submissions and perused the material available on record. On examining the orders of the Ld. Revenue Authorities, I find that the addition was made by the Ld. AO and sustained by the ld. CIT (A) due to lack of evidence to substantiate the genuineness of the cash deposits made by the assessee. Since now the Ld. AR has submitted before me that the assessee is ready to furnish the details / documentary evidence as sought by the Ld. Revenue Authorities to prove the genuineness of the cash credits in the interest of justice, I hereby grant one more opportunity to the assessee of being

heard and remit the matter back to the file of the Ld. AO to decide the matter afresh in accordance with law and merit after considering the submissions / documentary evidence produced by the assessee. It is ordered accordingly.

6. In the result, appeal of the assessee is allowed for statistical purposes as indicated herein above.

Pronounced in the open Court on the 10<sup>th</sup> January, 2022.

Sd/-  
(A. MOHAN ALANKAMONY)  
ACCOUNTANT MEMBER

Hyderabad, Dated: 10<sup>th</sup> January, 2022.

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- 1) Appellant: Mangasamudram Hemakumar, 5-19, Narayan Reddy Palle, Goduguchinta (V), Puthalapattu, Chittoor, Andhra Pradesh.
- 2) Respondent: Income Tax Officer, O/o. ITO, Ward-1, Chittoor.
- 3) The CIT(A), National Faceless Appeal Centre (NFAC), Delhi.
- 4) The DR, ITAT, Hyderabad
- 5) Guard File