

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

**BEFORE SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER  
AND SHRI S.S. GODARA, JUDICIAL MEMBER  
(THROUGH VIDEO CONFERENCE)**

<b>ITA No.300/Hyd/2019 (Assessment Year : 2014-15)</b>		
Shri Srinivas Nagabandi, Hyderabad. PAN ADYPN8582B	<b>Vs.</b>	Income Tax Officer, Ward 9(4), Hyderabad.
Appellant		Respondent

Appellant By : Shri T. Chaitanya Kumar, Adv.  
Respondent By : Shri T. Sunil Goutam (D.R.)

Date of Hearing : 05.01.2022.  
Date of Pronouncement : 04.02.2022.

**ORDER**

**PER A. MOHAN ALANKAMONY, A.M:**

This appeal is filed by the assessee against the order of the Ld. CIT(A)-, Hyderabad in appeal No.335/2016-17 dated 15.09.2017 passed U/s. 143(3) r.w.s 250(6) of the Act for the A.Y. 2014-15.

2. The assessee has raised the following grounds in its appeal :-

*“ 1. The order of the CIT(A) is erroneous both on facts and in law to the extent it is prejudicial to the assessee.*

*2. The learned CIT(A) erred in confirming the action of the Assessing Officer in treating an amount of Rs.44,84,114/- as income from other sources.*

*3. The learned CIT(A) erred in rejecting the appellant contention an amount of deposits made into the bank account as a turnover of the appellant.*

4. *The learned CIT(A) ought to have considered the fact that the amounts are re-deposited from one bank to other bank.*

5. *The learned CIT(A) erred in confirming the action of the Assessing Officer in determining the total income at Rs.44,84,114/- as against the income admitted of Rs.5,76,180/-.*

6. *Any other ground that may be urged at the time of hearing.”*

3. The brief facts of the case are that the assessee is an individual filed his return of income for the relevant assessment year on 14.08.2014 declaring income of Rs.5,76,180/-. Thereafter the case of the assessee was taken up for scrutiny under CASS and assessment order was passed u/s.143(3) of the Act on 3.3.2016 wherein the Ld.AO made an addition of Rs.44,84,114/- under the head 'Income from Other Source' because the assessee failed to reconcile his statement of affairs with the books of accounts and Bank statements. On appeal, the Ld.CIT(A) confirmed the order of Ld.AO by observing as under:

*“ 4.2 I have considered the submissions of the appellant and findings of the Assessing Officer carefully. The Assessing Officer clearly established that the appellant could not furnish any evidence in respect of an amount of Rs.44,84,114/- in 3 banks. The AO has clearly brought in the order of assessment that, the appellant has done majority of the business transactions by using the bank account in ICICI Bank only. Wherein, the total credits in ICICI was Rs.85,19,964/- as against the turn over shown by the appellant is Rs.54,47,310/- on which, the profit of Rs.5,76,180/- was declared in the ROI u/s.44AD of the Act. The transactions in other bank accounts i.e. in the bank account of Karur Vysya Bank and IDBI bank do not relate to business transactions. This fact was clearly established by the Assessing Officer in the order of assessment. The Assessing Officer has also given due credit for cash transferred to partnership firms, partners remuneration, withdrawals utilised to*

*redeposit, bank interest, cheques received from relatives. No bills or invoices or names furnished either before the Assessing Officer or before the undersigned to prove that the balance transactions of Rs.44,84,114/represent business transactions of the assessee. During the course of appellate proceedings, the AR of the appellant did not controvert any findings of the Assessing Officer with respect to source of deposits or nature of deposits in the bank accounts linking with the business transactions. Therefore, I find that there is no reason to interfere with the findings of the Assessing Officer that an amount of Rs,44,84,114/- represents the income from other sources for which source was not explained by the assessee.”*

4. At the outset, Ld.AR submitted that one more opportunity may be provided to the assessee in order to reconcile his books of accounts because on an earlier instant due to several constraints the assessee was unable to do so. The Ld.AR further submitted that the addition made in the hands of the assessee is unjustifiable and if the same is sustained irreparable loss will be inflicted on the assessee. The Ld.DR, on the other hand, prayed for confirming the order of authorities below.

5. We have heard the rival submissions and perused the material available on record. From the facts of the case, it is apparent that the assessee has not properly maintaining his books of accounts. Further considering the nature of business the assessee is carrying on and his financial constraints and considering the prayer of the Ld.AR, we hereby remit the matter back to the file of Ld.AO for de-novo consideration thereby providing one more opportunity to the assessee of being heard. At the same time, we also caution the assessee to promptly co-operate

before the Learned Revenue Authorities in their proceedings failing which they shall be at liberty to pass appropriate order in accordance with merit and law based on the materials before them.

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

Pronounced in the open Court on the 04<sup>th</sup> Feb., 2022.

Sd/-  
**(S.S.GODARA)**  
JUDICIAL MEMBER

Sd/-  
**(A. MOHAN ALANKAMONY)**  
ACCOUNTANT MEMBER

Hyderabad, Dated: 04<sup>th</sup>.02.2022.

\* Reddy gp  
Copy to:-

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2.	ITO, Ward 9(4), Hyderabad.
3.	Pr. C I T-7, Hyderabad.
4.	CIT(Appeals)-7, Hyderabad.
5.	DR, ITAT, Hyderabad.
6.	Guard File.

By Order

Sr. Pvt. Secretary, ITAT, Hyderabad.