

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

BEFORE SHRI A.D. JAIN, VICE PRESIDENT
AND
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER

	ITA No. 1133/Hyd/2016		
	AY: 2009-10		
N. Ram Mohan, Kurnool. PAN: AITPR 0686 A	VS.	Income Tax Officer, Ward-2, Nandyal.	
(Appellant)		(Respondent)	
	Assessee by	Sri S. Rama Rao	
	Revenue by	Sri T. Sunil Goutam, Sr. AR	
	Date of hearing:	23/02/2022	
	Date of pronouncement:	25/02/2022	

ORDER

PER A. MOHAN ALANKAMONY, A.M:

This appeal is filed by the assessee against the order of the Ld. CIT (A), Kurnool in appeal No.129/CIT(A),Kn1/2015-16, dated 25/4/2016 passed U/s. 144 r.w.s 263 of the Income Tax Act, 1961 for the AY 2009-10.

2. The assessee has raised the five grounds in its 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 addition of Rs. 23,81,168/- made by the Assessing Officer.*
- 3. The Ld. CIT(A) ought to have considered the fact that the aggregate of the deposits of Rs. 23,81,168/- should not have*

been treated as the income of the appellant when the cash was withdrawn and was redeposited into the bank account.

4. *The Ld. CIT (A) ought to have considered the various explanations submitted before him along with the evidences and ought to have allowed the appeal filed by the appellant.*
5. *Any other ground or grounds that may be urged at the time of hearing.”*

3. Brief facts of the case are that the assessee filed his return of income for the AY 2009-10 on 11/12/2009 admitting total income of Rs. 1,59,270/-. Initially, in the case of the assessee, assessment was completed U/s. 143(3) of the Act on 28/10/2011 accepting the total income of Rs. 1,59,270/- returned by the assessee. Subsequently, the case was taken up for revision by the CIT-III, Hyderabad and passed order U/s. 263 of the Act by holding that the assessment order passed by the Ld. AO is erroneous and prejudicial to the interests of the Revenue and therefore directed the Ld. AO to re-do the assessment after carrying out necessary enquiries. Accordingly, the Ld. AO issued show cause notices to the assessee seeking assessee's explanation with regard to the cash deposits aggregating to Rs. 23,81,168/- in Axis Bank and ICICI Bank accounts of the assessee at Nandyal. Considering the assessee's noncompliance to the said notices and in the absence of any explanation for the cash deposits, the Ld. AO treated the cash deposits of Rs. 23,81,168/- as unexplained cash deposits made by the assessee and added the same to the total income of the assessee and determined the income at Rs. 25,40,433/-. Aggrieved, assessee filed an appeal before the Ld. CIT(A). On appeal,

the Ld. CIT (A) confirmed the additions made by the Ld. AO and dismissed the assessee's appeal. Aggrieved by the order of the Ld. CIT (A), assessee is in appeal before the Tribunal.

4. At the outset, the Ld. AR submitted that in respect of the cash deposits made in the bank accounts of the assessee, the assessee has properly explained to the Ld. Revenue Authorities. The Ld. AR further submitted that the assessee has also furnished documentary evidence before the Ld. Revenue Authorities regarding the source of bank deposits. However, the Ld. Revenue Authorities have not properly appreciated the explanations of the assessee. Therefore, the Ld. AR prayed that the matter may be remitted back to the file of the Ld. AO for de-novo consideration thereby providing one more opportunity to the assessee of being heard. The Ld. DR on the other hand, vehemently argued in support of the orders of the Ld. Revenue Authorities.

5. We have heard the rival submissions and carefully perused the materials on record. On perusal of the facts and circumstances of the case as well as the orders of the Ld. Revenue Authorities and also the quantum and nature of addition made in the hands of the assessee, we are of the considered opinion that the matter requires to be revisited by the Ld. AO afresh. Accordingly, we remit the matter back to the file of the Ld. AO for de-novo consideration and decide the issue

afresh in accordance with law and merits. Needless to mention that the assessee should be provided with a reasonable opportunity of being heard.

6. In the result, appeal of the assessee is allowed for statistical purposes.

Pronounced in the open Court on 25th February, 2022.

Sd/-
(A.D. JAIN)
VICE PRESIDENT

Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER

Hyderabad, Dated: 25th February, 2022.

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Copy to:-

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- 2) Income Tax Officer, Ward-2, Sanjeeva Nagar, Nandyal-518501, Kurnool District.
- 3) The CIT(A), Kurnool
- 4) The Principal Commissioner of Income Tax, Kurnool Range, Kurnool.
- 5) The DR, ITAT, Hyderabad
- 6) Guard File