

**IN THE INCOME TAX APPELLATE TRIBUNAL  
Hyderabad ‘ SMC ‘ Bench, Hyderabad**

**BEFORE**

**SHRI LALIET KUMAR, JUDICIAL MEMBER**

ITA No.100/Hyd/2023		
Assessment Year: 2020-21		
Sri Bal Reddy Kandunuri # 20-60, College Road, Mancherial, Adilabad District, Telangana – 504 208.  PAN : ALGPK5258D.	Vs.	The Asst. Commissioner of Income Tax, Central Circle – 2(4), Hyderabad.
(Appellant)		(Respondent)
Assessee by:		Shri P. Vinod
Revenue by:		Sri Naveen Kumar.
Date of hearing:		06.03.2023
Date of pronouncement:		14.03.2023

**ORDER**

**PER LALIET KUMAR, J.M.**

The appeal of the assessee for A.Y. 2020-21 arises from the order of Commissioner of Income Tax (Appeals) – 12, Hyderabad dt.20.12.2022 invoking proceedings under section 143(3) of the Income Tax Act, 1961 (in short, “the Act”).

2. The grounds raised by the assessee reads as under :

*“1. On the facts and in the circumstances of the case the order of the ld. Commissioner of Income Tax (Appeals)-12, Hyderabad, is erroneous and unsustainable on facts and in law apart from being passed in violation of principles of natural justice. The ld. Commissioner (Appeals) ought to have appreciated that some of the notices were not served and at any rate, this being a search assessment, ought to have provided proper opportunity to the Appellant.*

*2. The ld. Commissioner (Appeals) erred in sustaining the addition of Rs.38,50,000 as unexplained money under section 69A of the Act.”*

3. Facts of the case, in brief, are that assessee is an individual deriving income from business, profession and other sources and that assessee had originally filed his return of income for A.Y. 2020-21 on 11.02.2021 returning total income at Rs.6,50,290/-. A cash of Rs.5 lakhs was seized from the assessee by the election flying squad team Mancherial while conducting patrolling duty on 03.12.2018. Consequently, a warrant u/s.132A of the I.T Act, 1961, was executed and cash was requisitioned from the police authorities, Mancherial. Subsequently, the case was selected under compulsory scrutiny and accordingly, notices u/s. 143(2) and 142(1) were issued. After examining the material on record and the information furnished, assessment was completed by the Assessing Officer u/s 143(3) of the Act interalia by making an addition of Rs.38,50,000/- u/s 69A of the Income Tax Act, 1961.

4. Feeling aggrieved with the order of Assessing Officer, assessee filed an appeal before the ld.CIT(A) who dismissed the appeal of assessee on account of non-prosecution and on merits.

5. Feeling aggrieved with the order of ld.CIT(A), assessee is now in appeal before me.

6. Before me, ld.AR submitted that the learned lower authorities have decided the issue without considering the explanation offered by the assessee and that assessee failed to appear due to unavoidable circumstances. Ld.AR further submitted that as the assessee has sufficient cause from putting in appearance before the ld.CIT(A), matter may kindly be remitted back to the authorities below for afresh adjudication.

7. Per contra, the ld.DR has raised objection for remanding the matter back to the file of lower authorities.

8. I have heard the rival contentions of both the parties and perused the material available on record and also the order passed by the lower authorities. On perusal of the impugned order passed by ld.CIT(A), I found that ld.CIT(A) passed an exparte order confirming the action of the Assessing Officer, as the assessee failed to appear despite granting of sufficient opportunities. In paras 6.1 and 6.2 of the ld.CIT(A)'s order, clearly mentioned the details of various opportunities granted to the assessee. On

perusal of the order of ld.CIT(A) on merits, I found that the ld.CIT(A) has failed to consider the explanation given by the assessee that the said cash deposits were from out of business and savings. As the explanation of the assessee has not been considered by the ld.CIT(A) and the order of Assessing Officer had been confirmed without appreciating the record, I deem it appropriate to remand back the matter to the file of ld.CIT(A) with a direction to consider the explanation offered by the assessee and the documents placed on record before me after affording sufficient opportunities of hearing to the assessee in accordance with the law.

9. The assessee shall be at liberty to file documents, if any, as required for proving his case and the ld.CIT(A) shall consider the evidences, if any, filed by the assessee. Needless to say the ld.CIT(A) shall examine those documents / evidence filed by the assessee and also the other documents available on record. After considering the documents filed by the assessee and the submissions made by the assessee, the ld.CIT(A) shall pass a detailed speaking order dealing with the contentions of the assessee. I have not adjudicated the other grounds on merits as I am setting aside the orders passed by the lower authorities to the file of ld.CIT(A) for fresh adjudication. The assessee is directed to appear before the ld.CIT(A) and cooperate in early hearing of the appeal.

10. Further, the appeal is remanded back with the above directions subject to costs of Rs.10,000/- (Rupees Ten Thousand only) in favour of Prime Minister National Relief Fund which shall be payable within one month or from the date of receipt of this order or whichever is earlier. Thus, the grounds of the assessee are allowed for statistical purposes.

11. In the result, the appeal of the assessee is treated as allowed for statistical purposes.

Order pronounced in the Open Court on 14<sup>th</sup> March, 2023.

Sd/-  
**(LALIET KUMAR)**  
**JUDICIAL MEMBER**

Hyderabad, dated 14<sup>th</sup> March, 2023.

**TYNM/sps**

Copy to:

S.No	Addresses
1	Sri Bal Reddy Kandunuri # 20-60, College Road, Mancherial, Adilabad District, Telangana – 504 208.
2	The Asst. Commissioner of Income Tax, Central Circle – 2(4), Hyderabad.
3	Pr.CIT(Central), Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

*By Order*