

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES “SMC”, HYDERABAD**

BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER

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| ITA No.330/Hyd/2023 | | |
| Assessment Year: 2017-18 | | |
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| Ganga Mohan Reddy Gaddam, Nizamabad. PAN : AFTPG1095F | Vs. | The Income Tax Officer, Ward 1, Nizamabad. |
| (Appellant) | | (Respondent) |
| Assessee by: | | Ms. Vaishnavi appeared for Shri Bhavesh R Vithalani, C.A. |
| Revenue by: | | Shri B. Ravinder |
| | | |
| Date of hearing: | | 05/07/2023 |
| Date of pronouncement: | | 05/07/2023 |

ORDER

Per Laliet Kumar, J.M.

The appeal of the assessee for A.Y. 2017-18 arises from the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dt.18.05.2023 invoking proceedings under section 143(3) r.w. section 144 of the Income Tax Act, 1961 (in short, “the Act”).

2. The only effective ground raised by the assessee reads as under :

“The Assessing Officer is not justified in making an addition of Rs.16,60,500/- towards cash deposits u/s 69A of the Income Tax Act, 1961.”

3. Facts of the case, in brief, are that the assessee is an individual, who filed his e-return of income for A.Y. 2017-18 declaring total income of Rs.3,22,690/- on 03.10.2017. The case of the assessee was selected for limited scrutiny to examine the issue of cash deposit during demonetization period. and the Assessing Officer had issued notice on 13.08.2018 and e-proceedings were initiated. During the course of the proceedings, the Assessing Officer made an addition of Rs.16,60,500/- as unexplained money u/s 69A of the Act. Thereafter, Assessing Officer had completed the assessment u/s 143(3) of the Act on 14.12.2019 and uploaded the order on the portal.

4. Feeling aggrieved with the order of Assessing Officer, assessee carried the matter before Id.CIT(A), who dismissed the appeal of assessee.

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

6. Before me, the learned Authorized Representative submitted that the lower authorities decided the issue without discussing the factual details of the case. The ld.AR further submitted that the assessee failed to appear due to reasons beyond the control of the assessee. The ld. AR requested that the matter may be sent back to the lower authorities for a fresh review, taking into consideration of the circumstances. She prayed for one more opportunity to be given to the assessee to represent his case before the lower authorities.

7. On the other hand, the learned Departmental Representative did not object to remanding the matter back to the lower authorities.

8. I have heard the rival submissions and perused the material on record. On perusal of the record, I find that the Assessing Officer treated the cash deposits made by the assessee during the demonetization period as unexplained, as the assessee failed to provide any satisfactory explanation or evidence regarding the source of those cash deposits. Hence, the Assessing Officer added Rs.16,60,500/- to the assessee's income under section 69A of the Income Tax Act. The main contention of the assessee was that the cash deposited in the bank came from withdrawals made before 08.11.2016, and all the withdrawals were made in the same financial year. Though, the assessee submitted written submissions clarifying the arithmetic calculation of the cash deposits, however, the ld.CIT(A) rejected the assessee's explanation, considering it as baseless and a fabricated story to cover up the

lack of submission of details to the Assessing Officer. The Id.CIT(A) upheld the Assessing Officer's action, as the assessee failed to provide sufficient evidence and prove his case.

9. The Ld. AR had brought to my notice the reasons for non-appearance of the assessee i.e., assessee was not able to contact his authorized representative to follow up his properly due to reasons beyond the control of the assessee. She had explained the reasons during the course of hearing. On appeal also, the Id.CIT(A) had confirmed the action of the Assessing Officer rejecting the explanation of the assessee as baseless and unbelievable.

10. In light of the above, though, invariably the appeal of the assessee is required to be dismissed on account of non-furnishing of supporting documents, however, considering the totality of the facts and circumstances and in the interests of justice, one more opportunity is granted to the assessee to appear and contest the case before the Assessing Officer. Hence, I remand back the appeal to the file of Assessing Officer with a liberty to grant one more opportunity to the assessee to prove his case. Further the assessee is directed to appear before the Assessing Officer on the date of hearing fixed by the Assessing Officer and shall file all the documents / evidence in support of his case. In case, the assessee failed to file any documents in support of his case, Assessing Officer shall decide the matter in accordance with the law. Accordingly, the appeal of assessee is allowed for statistical purposes.

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

Order pronounced in the Open Court on 5th July, 2023.

Sd/-
(LALIET KUMAR)
JUDICIAL MEMBER

Hyderabad, dated 5th July, 2023.

TYNM/sps

Copy to:

| S.No | Addresses |
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| 1 | Ganga Mohan Reddy Gaddam, C/o. Vijay & Co., Tax Consultants, D.No.3-2-54/36/1/1, K.N. Colony, Near LIC Office, Nizamabad Road, Armoor District, Nizamabad. |
| 2 | The Income Tax Officer, Ward 1, Nizamabad. |
| 3 | DR, ITAT Hyderabad Benches |
| 4 | Guard File |

By Order