

आयकर अपीलिय अधिकरण, 'ए' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'A' BENCH: CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष एवं श्री मंजुनाथ. जी, लेखा सदस्य के समक्ष  
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND**  
**SHRI MANJUNATHA. G, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.761/Chny/2022  
निर्धारण वर्ष /Assessment Year: 2017-18

**The Asst. Commissioner of  
Income Tax,**  
Central Circle-1(1),  
Chennai.

**Shri Kannan Narayanan,**  
**Vs.** Flat No.5, Vasundhara,  
No.16, Hindi Prachar Sabha  
Street, T. Nagar,  
Chennai – 600 017.  
**[PAN: AEYPN-9976-Q]**  
**(प्रत्यर्थी/Respondent)**

(अपीलार्थी/**Appellant**)

अपीलार्थी की ओर से/ Assessee by : Shri Suhrit Parathasarathy,  
Advocate  
प्रत्यर्थी की ओर से /Revenue by : Shri ARV Sreenivasan, Addl. CIT  
सुनवाई की तारीख/Date of Hearing : 17.08.2023  
घोषणा की तारीख /Date of Pronouncement : 23.08.2023

**आदेश / ORDER**

**Per Mahavir Singh, Vice President :**

This appeal by the Revenue is arising out of the order of Commissioner of Income Tax (Appeals)-18, Chennai [hereinafter "CIT(A)"] in ITA No.227/2019-20/CIT(A)-18 dated 29.06.2022. The Assessment was framed by Dy. Commissioner of Income Tax, Non Corporate Circle-17(1), Chennai for the relevant A.Y. 2017-18 vide

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order dated 25.12.2019 u/s. 143(3) of the Income Tax Act, 1961 (hereinafter 'the Act').

2. The only issue in this appeal of Revenue is against the order of CIT(A) in deleting the addition made by A.O of unexplained money deposited in the assessee's foreign bank account to the extent of 2.50 Lakhs US Dollars and added u/s. 69 of the Act. The Revenue's grievance is that the CIT(A) deleted the addition without confronting the A.O the additional evidences filed before CIT(A).

3. The brief facts of the case are that the assessee is an Individual deriving income from "Salaries & Interest Income from Banks" and has filed his return of Income on 25.07.2017 admitting a total income of Rs. 58,10,342/-. The assessee was working abroad during the period from September 1991 to June 2008 and out of the accumulated earnings, the assessee had deposited in his foreign Bank Accounts held in ANZ Bank, Singapore and Ameritrade Bank, USA in the year 2006. The assessee has been disclosing in the Foreign Assets "Schedule FA". The assessee submits that in respect of the Foreign Bank Accounts, there is only a relationship account which includes Various Foreign Currencies Account with different account numbers viz. SGD, USD, EUR, GBP, etc. However for purpose of identifying a particular account it is only the relationship account (In India it is known as

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Customer ID) and not the individual account numbers which depends upon the type of currency the assessee has been maintaining. The assessee had in his return of income for the A.Ys 2015-16 & 2016-17 disclosed the consolidated peak balances held in both ANZ Bank, Singapore and Ameritrade Bank in FA Schedule as ANZ Bank, Singapore. During the Assessment Year 2017-18, the assessee transferred a sum of USD 250000/- from his ANZ Bank to Ameritrade Bank, proof in the form of Transfer Advise and the bank statement of the respective bank accounts was submitted by the assessee vide his letter dated 13.12.2019. Since the assessee had two bank accounts during that year, though there has been transfer from one bank account to another account, the disclosure of the peak balance alone has been captured which has resulted in duplication of the transfer amount in the Peak Balance. As a result of constraint of non availability of such transfer details in the form prescribed, the transfer details could not be furnished in the Schedule FA. The A.O has misconstrued the amount of USD 250000/- as an unexplained investment u/s. 69 of the Act and brought to tax the said transfer. The A.O concluded as under:

*"1. The assessee consistently gave false and misleading evidences to substantiate his claim that USD 250,000 was transferred from ANZ Account No. 901269794 to TD Ameritrade Account No. 78721998.*

*2. The query put in the Show-cause Notice about the accounts in*

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Account No.9301268792 and Account No. 901269794 being opened on 23.09.2006 but reported only for A.Y. 2015-16, ( account no. 9301268792) and from A.Y. 2016-17 and A.Y. 2017-18 (account no. 901269794) for which there has been no answers.

It is pertinent to note that account no. 9301268792 had balance of Rs.3,88,00,000/.

3. Both the bank accounts has been opened since 23.09.2006 and the TD Ameritrade bank account has been held since 01.04.2007 but reporting of the same has been done only from A.Y. 2015-16 & A.Y. 2017-18 respectively. The reasons are not provided. On going through the submissions the assessee had yet another account in ABN Amro Singapore which was never reported in the Schedule FA anytime. The fact of the assessee have such an account surface only after the issue of Show-cause Notice.

4. The Final submission made by the assessee in the form of Payment Advice from ANZ Bank reports the beneficiary account of transfer of USD 250,000, into account no. 4123214561 (which is held by the assessee along with Smt. Geetha Narayanan) and not the TD Ameritrade Account no. 78721998.

5. Keeping in view, all the above lacunae in the submissions made by the assessee for successful completion of the Scrutiny proceedings, this Office concludes the Assessment proceedings by treating USD 250,000 as Unexplained Investment within the meaning of Section 69 of the Income Tax Act, 1961 and the same is added back to the returned income of the assessee and brought to tax. The amount of additions equivalent to INR would be the rate of USD as on today which is 71.24. Hence, the additions would be USD 250,000 x INR 71.24=Rs.1,78,10,000/-.”

Aggrieved, the assessee preferred an appeal before CIT(A).

4. The CIT(A) deleted the addition by observing in Para 5.6 & 5.7 as under:

“5.6 I have considered the submissions of the appellant. There was some confusion entertained by the appellant while uploading the peak balances in the accounts held by him in the foreign countries, According to him, he had the following bank accounts.

SGD A/c No. 9301268792

USD A/c No. 9301269794

EUR A/c No. 9301270792

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GBP A/c No. 9308589790 &amp; 9321046792

5.7 The appellant through his letter dated 27/10/2016 requested the Senior Relationship Manager of Australia and New Zealand Banking group to remit USD 250,000 from his Wells Fargo Bank NA routing through 121000248 to the credit of TD Ameritrade clearing Inc A/c No. 4123214561. Remittance was done by the bank and confirmation was given on 02/11/2016 and the amount was debited from A/c No. 9301269794. The appellant had explained the transaction in the above letter as under. The amount was remitted from A/c No. 9301269794 with ANZ Bank, Singapore through correspondent bank Wells Fargo Bank through routing No. 121000248 and to Ameritrade Bank A/c No.41232 14561 being US Domestic Bank where the appellant maintains account and from that account it was transferred to Ameritrade Bank A/c No. 787241998. It was further explained by the appellant that the procedure followed by the foreign banks wherein though the beneficiary account has been mentioned which represent the name of the beneficiary bank account only which ultimately transfer to the routing bank account and finally to the credit of the individual account. i.e. a local scheduled bank under the RBI may not have a direct transfer account to its client from a foreign bank account and the said bank account will have a correspondent bank viz. which deals with foreign exchange. The appellant has thus explained the modus operandi in transferring the amount of USD to Ameritrade Bank account and all the transactions were done through banking channel only. It is not the case of the AO that the appellant had deposited USD 250000 in any bank account and then transferred to the Ameritrade bank a/c. The appellant had only transferred the amount available in the bank to the aforesaid account. There is no undisclosed income involved in the transfer of funds from one bank account to another bank account. The appellant could have made the correct disclosure of all bank accounts and the respective peak balances in each of the accounts and avoided the issue at all. Simply because the appellant had not properly disclosed the peak balances in the FA schedule in the return, it cannot be said that the appellant had undisclosed income. In view of the above, I hold that the addition made by the AO is not required and therefore I delete the addition of Rs. 1,78,10,000 made u/s 69 and allow the grounds.”

Aggrieved now, the Revenue is in appeal before the Tribunal.

5. Before us, the Ld. Sr. D.R only made submissions that the Revenue want that the assessee submitted additional evidences as per Ground No.3.1 and those evidences should be confronted to the

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A.O or the matter can be remitted back to the file of A.O for calling the remand report from the A.O as mandated under Rule 46A of the Income Tax Rules, 1962.

6. As against this, the Ld. Counsel for the assessee drew our attention to the paper book filed by the assessee consisting of 63 pages, whereby he referred to the copy of return filed from Page No.6 to 31 and particularly drew our attention to pages 28 & 29 and where in Schedule-FA, details of foreign assets and income from any sources outside India i.e., 2 bank accounts namely ANZ Bank, Singapore A/c No.9301269794 & Ameritrade Bank A/c. No.787241998 both are reflected in the return of income. The Ld. counsel also stated that all these gross transactions and details were filed before A.O vide letter dated 12.12.2019 including annexures, which are enclosed at assessee's paper book Page No.32 to 34. Further, the Ld. counsel for the assessee stated that all these details were filed before A.O including the accounts and payment of 2.50 Lakhs USD. The Ld. counsel for the assessee specifically drew our attention to Page No.55 of the assessee's paper book and also another letter written to the A.O dated 20.12.2019. When these were confronted to Ld. Sr. D.R, he only requested that the matter can be remitted back to the file of A.O or CIT(A) for verification.

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7. After going through the facts and circumstances of the case, we noted that the assessee is able to co-relate with the transfer entry of USD 2.50 Lakhs deposited from ANZ Bank, Singapore to Ameritrade Bank, USA, but it routed through two accounts namely Well Fargo Bank, USA Routing No.121000248 & Ameritrade Bank A/c. No.4123214561, which are corresponding bank or route entry. It means that the assessee has disclosed these bank accounts and including these transactions. Hence, we find no infirmity in the order of CIT(A) in deleting this addition. We confirm the order of CIT(A) and dismiss the appeal of Revenue.

8. In the result, the appeal of the Revenue is dismissed.

*Order pronounced on 23<sup>rd</sup> August, 2023.*

**Sd/-**  
**(मंजुनाथ. जी)**  
**(Manjunatha. G)**

**लेखा सदस्य /Accountant Member**

**Sd/-**  
**(महावीर सिंह)**  
**(Mahavir Singh)**  
**उपाध्यक्ष / Vice President**

चेन्नई/Chennai, दिनांक/Dated: 23<sup>rd</sup> August, 2023.

EDN/-

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF