

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH : SMC : DELHI

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No.992/Del/2022
Assessment Year: 2017-18

Reema Nair,
F-9/10, Vasant Vihar,
South West Delhi,
Delhi – 110 057.

Vs ITO,
Ward-30(7),
Delhi.

PAN: AABPN5519L

(Appellant)

(Respondent)

Assessee by	:	Shri Surendra Garg, CA
Revenue by	:	Shri Om Parkash, Sr. DR
Date of Hearing	:	12.09.2023
Date of Pronouncement	:	20.09.2023

ORDER

This appeal by the assessee pertaining to Assessment Year 2017-18 is filed against the order of the Id.CIT(A), National Faceless Appeal Centre, Delhi, dated 11th March, 2022.

2. The only effective ground raised by the assessee is against the sustenance of addition made on account of cash found to be deposited in the bank account of the assessee and against not providing adequate opportunity of hearing.

3. The facts giving rise to the present appeal are that the assessee, who is a senior citizen, filed her return of income declaring an income of Rs.5,62,640/- on 18.12.2017. The case of the assessee was selected for limited scrutiny. During the assessment proceedings, the AO called upon the assessee to explain the source of cash deposited in her bank account amounting to Rs.31,19,000/-. In response thereto, the assessee filed explanation and cash flow chart before the AO. However, the AO did not accept the same and added the entire cash deposits as unexplained income of the assessee. Aggrieved against this, the assessee carried the matter before the Id.CIT(A) who also sustained the addition.

4. The Id. Counsel for the assessee, apropos to the grounds of appeal, reiterated the submissions as made before the lower authorities and also in the written submissions filed before this Tribunal. One of the grounds of the assessee is that the Id.CIT(A) did not provide adequate opportunity of being heard. He contended that every query of the Id.CIT(A) was duly responded to, cash flow statement was filed, but, without considering the same, the Id.CIT(A) has sustained the addition.

5. On the other hand, the Id. DR opposed the submissions and supported the orders of the authorities below. He submitted that the assessee was given sufficient opportunity and the AO has rightly observed that there was no justification in keeping cash and depositing in part during demonetization period.

6. I have heard the rival contentions and perused the material available on record. Before the lower authorities, it is stated by the assessee that there were withdrawals from various bank accounts held by the assessee and the assessee out of anxiety and old age was keeping cash at home. He contended that the amount is duly explained. The AO has accepted the withdrawal of amount, but, did not give set off of such withdrawal. Considering the material available on record, it is not disputed by the AO that the assessee had made withdrawals from her various bank accounts in cash. The AO has not brought any material to show that such withdrawal was utilized for any other purposes. Moreover, the observation of the AO that cash so withdrawn might have been utilized for any other purposes is without verifying the factum whether the assessee could have expended such amount on any social occasion. Therefore, considering the totality of the facts, in the interest of principles of natural justice, I deem it proper to set aside the impugned order and restore the grounds to the file of the Id.CIT(A) to decide it afresh, after providing adequate opportunity of being heard to the assessee and calling for a remand report from the AO. The grounds raised in this appeal are allowed for statistical purposes.

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

Order pronounced in the open court on 20.09.2023.

Sd/-

(KUL BHARAT)
JUDICIAL MEMBER

Dated: 20th September, 2023.

dk

Copy forwarded to :

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi