

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में
IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "SMC", HYDERABAD

BEFORE
SHRI K. NARASIMHA CHARY, JUDICIAL MEMBER

आ.अपी.सं / ITA No. 522/Hyd/2023
(निर्धारण वर्ष / Assessment Year: 2017-18)

Baddam Narasimha Reddy, Hyderabad
[PAN No. AHWPR8636G] Vs. Income Tax Officer,
Ward-13(5), Hyderabad

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri T. Chaitanya Kumar, AR
राजस्व द्वारा/Revenue by: Shri Mahidar, DR

सुनवाई की तारीख/Date of hearing: 05/12/2023
घोषणा की तारीख/Pronouncement on: 05/12/2023

आदेश / ORDER

Aggrieved by the order dated 28/08/2023 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Baddam Narasimha Reddy ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. Brief facts of the case are that finding a cash deposit of Rs. 11,81,000/- in to the bank account during the demonetization period, the case of the assessee was selected for scrutiny for the assessment year

2017-18. Assessee explained that such deposits were made out of the accumulated savings of his parents over a period of five years and in view of the demonetization of the specified notes, such accumulation in specified notes was deposited in the bank. Learned Assessing Officer, however, did not satisfy such an explanation and opined that, in the absence of any detailed explanation and documentary evidence to support the source of income and withdrawals from the bank account, the entire cash deposits have to be added to the income of the assessee. On this premise, learned Assessing Officer added the entire cash deposit of Rs. 11.81 lakhs to the income of the assessee.

3. Aggrieved by such an action of the learned Assessing Officer, assessee preferred appeal before the learned CIT(A). According to the learned CIT(A), in spite of service of notices on three occasions, assessee failed to provide any explanation, supporting his contention nor did he file any documents in support of the same. Learned CIT(A), therefore, observed that for failure of the assessee to substantiate his case, no interference is warranted with the assessment order. He accordingly upheld the addition and dismissed the appeal.

4. Learned AR submitted that the reason for the learned Assessing Officer to make the addition is that the assessee did not furnish any detailed explanation and documentary evidence in support of source of income and withdrawals from his bank account. According to the learned AR, there are withdrawals and corresponding deposits during the period under consideration and such a fact could be proved with reference to the bank statements, evidencing the assessee obtaining gold loans on various occasions and also depositing the same into his bank account. Since the

learned Assessing Officer did not have an opportunity to look at this evidence and since the assessee was not familiar with the online proceedings before the learned CIT(A), evidence could not be produced before the learned CIT(A) so as to get the matter disposed of on merits. Learned AR prays that, given an opportunity, the assessee is ready to produce all the relevant evidence before the authorities to get the issue decided on merits with reference to various withdrawals and deposits in his own account, apart from the funds in the shape of accumulated amounts by the parents.

5. Per contra, learned DR vehemently opposed the prayer on behalf of the assessee, stating that there is no reason for the assessee to withdraw the gold loan amount only to deposit it again into bank within a short period, if not the immediately next day or a couple of days to clear such gold loan. According to him, the explanation now offered by the assessee cannot be believed and, therefore, there are no merits in this appeal and the same is liable to be dismissed.

6. I have gone through the record in the light of the submissions made on either side. The assessment order makes it clear that at the time of assessment, the assessee could not produce bank accounts in support of his contentions. Now the assessee explains that all the deposits are supported by documentary evidence and, therefore, it is for the learned Assessing Officer to take a call as to the genuineness of the deposit. By way of paper book, the assessee produced the bank statements, supporting the source of deposits being the gold loan accounts etc. By way of summary statements, the assessee explains that on five occasions, the assessee obtained gold loan and within short time, he deposited the same into bank

and such things are not come to the tune of Rs 12.58 lakhs, whereas the total deposits were only to the tune of Rs. 11.81 lakhs. According to him, this supports the deposits.

7. In view of the fact that this material was not available before the authorities when the matter was disposed of, and apart from the statements produced by the assessee, the attending circumstances have to be taken into consideration for better appreciation of the contentions of the assessee, I deem it just and necessary that the impugned order be set aside and the issue be restored to the file of learned Assessing Officer for appreciating this evidence before taking a view according to law. With this view of the matter, I set aside the orders of the authorities below and restore the issue to the file of learned Assessing Officer for fresh disposal, after giving an opportunity to the assessee. I hold and direct so.

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

Order pronounced in the open court on this the 5th day of December, 2023.

Sd/-
(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,
Dated: 05/12/2023

TNMM

Copy forwarded to:

1. Baddam Narasimha Reddy, C/o. H.No. 3-6-195/B, Flat No. 102, Gowri Apts., Urduhall Lane, Himayath Nagar, Hyderabad.
2. Income Tax Officer, Ward-13(5), Hyderabad.
3. Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE

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ITAT, HYDERABAD