

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. 615/Hyd/2023  
(निर्धारण वर्ष / Assessment Year: 2017-18)

Priyadarsini Sai Karanam, Income Tax Officer,  
Allagadda Vs. Ward-1,  
[PAN : AUOPK1489M] Nandyal

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri S. Phanindra, AR  
राजस्व द्वारा/Revenue by: Shri B. Ravinder, DR

सुनवाई की तारीख/Date of hearing: 04/01/2024  
घोषणा की तारीख/Pronouncement on: 09/01/2024

आदेश / ORDER

Aggrieved by the order dated 17/10/2023 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Priyadarsini Sai Karanam ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. Assessee is an individual. From the information received through the Actionable Information Monitoring System (AIMS), learned Assessing Officer found that the assessee made cash deposits to the tune of Rs. 17 lakhs between 09/11/2016 and 30/12/2016. Learned Assessing Officer,

therefore, issued notice and recorded that the assessee never filed return of income and concluded the proceedings under section 144 of the Income Tax Act, 1961 ('the Act'), making addition of the entire Rs. 17 lakhs.

3. Aggrieved, assessee preferred appeal before the learned CIT(A) and pleaded that the deposited amount comprises of her earnings as a sub-broker in the share market as a franchise for Karvy Stock Broking Ltd., from 2008 to 2019 and also the savings from the salary of her husband for the marriage of their daughter and all these facts are borne out by Form 26AS for all these years and also bank statements. Learned CIT(A), as a matter of fact, found that the learned Assessing Officer failed to consider the income and savings of the assessee both in the assessment order and the remand report. Learned CIT(A) further found that the bank statements establish that the assessee and her husband have regular source of income and the copy of the wedding invitation, supports the contention of the assessee that cash was kept for the marriage of the daughter. Basing on these factual findings, learned CIT(A) inclined to grant relief to the extent of Rs. 10 lakhs towards business income and past savings and restricted the addition to Rs. 7 lakhs only.

4. Aggrieved by the addition sustained by the learned CIT(A) assessee preferred this appeal and contended that when once the learned CIT(A) believed the capacity of the assessee and the source of income, there is no basis for the learned CIT(A) to sustain the addition even to the extent of Rs. 7 lakhs and as a matter of fact, the learned CIT(A) should have deleted the entire addition.

5. Per contra, learned DR submitted that the assessee did not pursue the assessment proceedings and, therefore, the learned Assessing Officer rightly made the addition, but the learned CIT(A) erred in giving relief to the extent of Rs. 10 lakhs which the assessee is not entitled to. Learned DR vehemently argued that there are no reasons to interfere with the upholding of the addition sustained by the learned CIT(A).

6. I have gone through the record in the light of the submissions made on either side. The appellate order shows that for the relevant financial year, the income of the assessee had drastically fallen below the prescribed exemption limit and that is the reason why the assessee did not file the return of income for this year. On this aspect, there is no dispute. First appellate order further shows that the assessee submitted the Form 26AS for the financial years 2008-09 to 2016-17 along with bank statements etc. and the learned CIT(A) obtained remand report from the learned Assessing Officer. Learned CIT(A) further noted in the impugned order that the learned Assessing Officer did not state anything material in the remand report, except reiterating the non-compliance of the assessee during the assessment proceedings. Learned CIT(A), therefore, considered the material by himself to find that the assessee and her husband have regular source of income and this fact is established by the bank statements.

7. Learned CIT(A) further satisfied that there was reason for the assessee to keep such huge amount with her, the need being the marriage of her daughter and such a fact is established by the wedding invitation and other things. It is argued for the assessee before me that because of the sudden demonetization, the assessee had to deposit the entire cash

available with them in the bank and in that process, they have to do away all the material transactions in connection with the marriage, and to undergo a lot of hardship.

8. Learned CIT(A) took cognizance of all these facts and reached a conclusion that a reasonable allowance must be made to the addition in view of the assessee possessing means and also the need of the hour. Learned CIT(A), however, took a view that it would be reasonable to give allowance of Rs. 10 lakhs, but not the entire amount. On this aspect it occurs to my mind that when the assessee is having sufficient means, and there was necessity for her to keep the sum of Rs. 17 lakhs with her in view of her daughter's marriage, that reason is sufficient to delete the entire addition of Rs. 17 lakhs. When source and need are properly explained, it makes no difference whether it is Rs. 10 lakhs or Rs. 17 lakhs.

9. With this view of the matter, I accept the contentions raised on behalf of the assessee and also the reasoning of the learned CIT(A) but extend such reasoning to the entire addition. Learned Assessing Officer will delete the entire addition. Grounds are allowed accordingly.

10. In the result, appeal of the assessee is allowed.

Order pronounced in the open court on this the 9<sup>th</sup> day of January, 2024.

Sd/-  
**(K. NARASIMHA CHARY)**  
**JUDICIAL MEMBER**

Hyderabad,  
Dated: 09/01/2024

TNMM

Copy forwarded to:

1. Priyadarsini Sai Karanam, D.No. 2-1-70-A, Upstairs, Showkarpet, Allagadda, Kurnool Dist.
2. Income Tax Officer, Ward-1, Nandyal.
3. Pr.CIT,
4. DR, ITAT, Hyderabad.
5. GUARD FILE

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ASSISTANT REGISTRAR  
ITAT, HYDERABAD