

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

BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER

ITA No.639/Hyd/2023		
Assessment Year: 2017-18		
Varalaxmi Gudipudi, 2-1-249/1, Chandrannakunta Bazar, Suryapet, Telangana. PAN : BABPG1188B.	Vs.	The Income Tax Officer, Ward-1, Suryapet.
(Appellant)		(Respondent)
Assessee by:	Ms. S. Sandhya.	
Revenue by:	Shri T. Venkanna, Sr.A.R.	
Date of hearing:	18/01/2024	
Date of pronouncement:	22/01/2024	

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.25.10.2023 invoking proceedings under section 144 of the Income Tax Act, 1961 (in short, “the Act”).

2. The grounds raised by the assessee read as under :

“ 1. The order of the learned CIT (appeals) is enoneous both on facts and law.

2. The learned CIT (appeals) erred in deciding the appeal without providing proper opportunity to the appellant.

3. *The learned CIT (appeals) erred in confirming the addition made by the Assessing Officer of Rs.6,83,000/- on the ground that the cash deposits during demonetization were not properly explained particularly when the authorities agree that the assessee was in business and derived turnover.*

4. *The learned CIT (appeals) erred in confirming the action of the Assessing Officer in treating the deposits made into the bank account aggregating to Rs. as the turnover of the appellant.*

5. *The learned CIT (appeals) and the Assessing Officer ought to have seen that there are other deposits other than the turnover which should have been excluded.*

6. *The learned CIT (appeals) erred in estimating the business income at 8% of the turnover without considering the normal rate prevailing in the market.”*

3. The brief facts of the case are that assessee who is an individual had not filed the return of income for AY 2017-18. As per the information received through AIMS [Actionable Information Monitoring System], the assessee had made cash deposits aggregating to Rs. 34,95,874/- into bank accounts during the demonetization period between 09/11/2016 to 30/12/2016. As there was no proper compliance, the AO completed the assessment u/s. 144 on 17/12/2019, determining the assessee's total income at Rs.18,87,018/- by treating the cash deposits aggregating to Rs. 6,83,000/- made in bank accounts during the demonetization period as the income of the assessee u/s 69A of the Act and taxed under provisions of section 115BBE of the Act and estimated income at Rs. 12,04,018/- @ 8% of credits of Rs. 1,50,50,222/- in bank accounts.

4. Feeling aggrieved with the order of Assessing Officer assessee filed an appeal, which was later migrated to the ld.CIT(A), NFAC, Delhi, who dismissed the appeal of assessee.

5. Before us, ld.AR submitted that the learned lower authorities have decided the issue without discussing or deliberating the factual matrix of the case and that due to unavoidable circumstances, assessee failed to avail the opportunities granted by the Ld.CIT(A) to substantiate her case. Ld.AR further submitted that as the assessee has sufficient evidence to substantiate her case, matter may kindly be remitted back to the authorities below for afresh adjudication.

6. Per contra, the ld.DR has not raised any objection for remanding the matter back to the file of lower authorities.

7. I have heard the rival contentions of both the parties and perused the material available on record. On perusal of the impugned order passed by ld.CIT(A), I found that ld.CIT(A) passed an exparte order confirming the action of the Assessing Officer in his assessment framed on 17.12.2019. Perusal of the impugned order shows that the merits of the assessee's appeal before the ld.CIT(A) have neither been discussed nor decided by the ld.CIT(A). In view of the above reasons, in our view, the ends of justice will be met if the matter may be sent back to the file of ld.CIT(A) with a direction to decide the issue after considering the documents available on record and affording the opportunities of hearing to the assessee in accordance with law.

8. The assessee shall be at liberty to file documents, if any, as required for proving her case and the ld.CIT(A) shall consider the evidences, if any, filed by the assessee. Needless to say the ld.CIT(A) shall examine those documents / evidence filed by the assessee and also the other documents available on record. After considering the documents filed by the assessee and the submissions made by the assessee, the ld.CIT(A) shall pass a detailed speaking order dealing with the contentions of the assessee. I have not adjudicated the other grounds on merits as I am setting aside the orders passed by the lower authorities to the file of ld.CIT(A) for fresh adjudication. Needless to say, I have not adjudicated any other ground, all the grounds are required to be adjudicated by the ld.CIT(A) in the remand proceedings. Accordingly, the appeal of the assessee is allowed for statistical purposes.

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

Order pronounced in the Open Court on 22nd January, 2024.

Sd/-
(LALIET KUMAR)
JUDICIAL MEMBER

Hyderabad, dated 22nd January, 2024.

TYNM/sps

Copy to:

S.No	Addresses
1	Varalaxmi Gudipudi, 2-1-249/1, Chandrannakunta Bazar, Suryapet, Telangana.
2	The Income Tax Officer, Ward - 1, Suryapet.
3	PCIT, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order