

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. 389/Hyd/2024
(निर्धारण वर्ष / Assessment Year: 2017-18)

Veerababu Narapi Reddy, Vs. Income Tax Officer,
Hyderabad Ward-8(2),
[PAN No. AHTPN4830D] Hyderabad

अपीलार्थी / Appellant प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri Arun Kumar Malani, AR
राजस्व द्वारा/Revenue by: Ms. Aditi Goyal, DR

सुनवाई की तारीख/Date of hearing: 16/05/2024
घोषणा की तारीख/Pronouncement on: 22/05/2024

आदेश / ORDER

Aggrieved by the order dated 30/03/2024 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Veerababu Narapi Reddy ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. Brief facts of the case are that the assessee is an individual and filed his return of income for the assessment year 2017-18 on 03/11/2017, declaring income of Rs. 4,65,760/-. Learned Assessing Officer noticed that there were cash deposits to the tune of Rs. 25.40 lakhs in the bank accounts of the assessee and called upon the assessee to furnish information relating to the same. According to the learned Assessing Officer, the assessee did not file any reply and, therefore, he added the entire deposits of Rs. 25.40 lakhs to the income of the assessee.

3. Assessee filed appeal before the learned CIT(A) and submitted the bank statements explaining the deposits. Learned CIT(A), however, recorded that such bank statements were already on record and considered by the learned Assessing Officer and, therefore, he requires new material to consider the issues in appeal, stating that no new material is produced, learned CIT(A) confirmed the addition.

4. Hence, this appeal by the assessee, contending that the deposits represent the withdrawals in the close proximity of time and because of the demonetization, the assessee was compelled to deposit the entire amount into the bank and as a matter of fact, the assessee withdrew the amounts for purchase of agricultural land.

5. Per contra, learned DR submitted that before the learned Assessing Officer, the assessee did not explain his case and before the learned CIT(A) also he did not produce any material to substantiate his claim. Therefore, learned DR submitted that the order of the learned CIT(A) is justified.

6. I have gone through the record in the light of the submissions made on either side. When the learned Assessing Officer stated that in spite of opportunity granted, the assessee did not produce any explanation or material to justify the deposits in the bank account, the learned CIT(A) is not factually correct to say that such material was available before the learned Assessing Officer and the learned Assessing Officer considered the same. In fact, the learned Assessing Officer did not consider anything. Apart from that, nothing prevented the learned CIT(A) from considering the explanation of the assessee that on 16/08/2016 and 24/10/2016, the assessee withdrew a sum of Rs. 21 lakhs for the purpose of purchasing agricultural land, but due to sudden demonetization of specified bank notes, the assessee was compelled to deposit the same into bank account along with his other savings. This fact is evident from the statement of

Andhra Bank, which clearly establishes that the assessee withdrew a sum of Rs. 20 lakhs on 16/08/2016 and Rs. 1 lakhs on 24/10/2016.

7. This bank statement further supports the contention of the assessee that because of demonetization, the other specified bank notes were not accepted by the other parties, hence by depositing entire Rs. 24 lakhs into the bank account on 30/11/2016 and the assessee had to transfer an amount of Rs. 22.86 lakhs by way of RTGS.

8. In these circumstances, I set aside the orders of the Revenue authorities and direct the learned Assessing Officer to verify the Andhra Bank account of the assessee to know whether there were withdrawals to the tune of total amount of Rs. 21 lakhs on 16/08/2016 and 24/10/2016, if that be so, to delete the addition. Appeal of the assessee is allowed accordingly.

Order pronounced in the open court on this the 22nd day of May, 2024.

Sd/-
(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,
Dated: 22/05/2024

TNMM

Copy forwarded to:

1. Veerababu Narapi Reddy, H.No. 4-7-154/20, Panduranga Nagar,
Rajendra Nagar, Hyderabad.
2. Income Tax Officer, Ward-8(2), Hyderabad.
3. Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE.

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ASSISTANT REGISTRAR
ITAT, HYDERABAD