

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'SMC' Bench, Hyderabad

Before
Shri Manjunatha, G. Accountant Member

आ.अपी.सं / **ITA No.399/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2017-18)

Shri Nagi Reddy Seelam Hyderabad PAN:AIRPS8676D (Appellant)	Vs.	Dy. C. I. T. Circle 2(2) Hyderabad (Respondent)
निर्धारित द्वारा / Assessee by: Shri P Murali Mohan Rao, CA		
राजस्व द्वारा / Revenue by: Smt. Helen Ruby Jesindha, DR		
सुनवाई की तारीख / Date of hearing: 27/05/2024		
घोषणा की तारीख / Pronouncement: 27/05/2024		

आदेश/ORDER

Per Manjunatha, G. A.M

This appeal filed by the assessee is directed against the order dated 23.02.2024 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2017-18.

2. The brief facts of the case are that the assessee has filed his return of income for the A.Y 2017-18 on 14.10.2017 declaring total income at Rs.6,90,000/-. The case was selected for scrutiny and during the course of assesment proceedings, the Assessing Officer noted that the assessee has made cash deposits

to various bank accounts during demonetization period from 9.11.2016 to 30.12.2016. The assessee was required to furnish his explanation for source of cash deposits during demonetization period. In response, the assessee stated that he has received sum of Rs.35.00 lakhs as advance for sale of property but could not furnish any evidence like agreement to sell and confirmation from the party. Therefore, the Assessing Officer after considering the relevant submissions and also taking note of total cash deposits in bank account made addition of Rs.37,29,700/- u/s 69A of the I.T. Act as unexplained money and brought to tax u/s 115BBE of the I.T. Act, 1961.

3. The assessee carried the matter in appeal before the learned CIT (A) NFAC but could not succeed. The Learned CIT (A) NFAC for the reasons stated in their appellate order dated 23.02.2024 rejected the explanation furnished by the assessee and sustained the addition made towards the cash deposits as unexplained money taxable u/s 69A of the I.T. Act, 1961.

4. Aggrieved by the order of the learned CIT (A) NFAC, the assessee is in appeal before us.

5. The learned Counsel for the assessee submitted that the learned CIT (A) NFAC erred in sustaining the addition made by the Assessing Officer towards cash deposits even though the assessee has filed relevant evidences including confirmation letter

from M/s. Concord Drugs Ltd to prove the source for cash deposits during demonetization period. The learned Counsel for the assessee further submitted that the appellant has received sum of Rs.37,30,000 towards advance for purchase of agricultural land from the company. The company has confirmed payment of cash. Although these evidences were filed before the Assessing Officer and the learned CIT (A) NFAC, but both authorities ignored the evidences filed by the assessee and made addition u/s 69A r.w.s. 115BBE of the I.T. Act, 1961.

6. The learned DR, on the other hand, supporting the order of the learned CIT (A) NFAC submitted that although the assessee claims to have furnished evidences to prove receipt of advance money from M/s. Concord Drugs Ltd, but on perusal of the assessment order passed by the Assessing Officer, it is undoubtedly clear that the assessee has not filed any evidence. Further, the so-called confirmation letter filed by the assessee does not have support with other evidences including agreement for sale. Therefore, she submitted that the learned CIT (A) NFAC has rightly confirmed addition made by the Assessing Officer towards the cash deposits and their order should be upheld.

7. I have heard both parties, perused the material available on record and gone through the orders of the authorities below. The Assessing Officer has made addition towards cash deposits on the ground that although the assessee claims to have

received advance for sale of agricultural land, but could not furnish any evidences including agreement for sale and necessary bank statements. The argument of the assessee before me is that the assessee has received sum of Rs. 37,30,000/-from M/s. Concord Drugs Ltd towards advance for purchase of property and the same was recorded in the books of account of the company. The facts are contradictory. The assessee claims that it has furnished evidences, whereas the Assessing Officer claims that no evidences were filed. Therefore, to ascertain the correct fact with regard to the nature and source of cash deposits found in the Bank Account of the assessee, the matter needs to go back to the file of the Assessing Officer for further verification. Thus, we set aside the order passed by the learned CIT (A) and restore the issue back to the file of the Assessing Officer. The Assessing Officer is directed to verify the claim of the assessee with regard to the source of cash deposits in the light of evidences that may be filed by the assessee to justify his case.

8. In the result, appeal filed by the assessee is allowed for statistical purposes

Order pronounced in the Open Court at the time of hearing itself, i.e. 27th May, 2024.

Sd/-

**(MANJUNATHA, G.)
ACCOUNTANT MEMBER**

Hyderabad, dated 27th May, 2024

Vinodan/sps

Copy to:

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2	Income Tax Officer Ward 1(2) Hyderabad
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order