

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

Madhavi Ponugoti, Hyderabad [PAN No. BMQPP5033D]	Vs. Income Tax Officer, Ward-3(1), Hyderabad
अपीलार्थी / Appellant	प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri G. Srinivasa Rao, AR
राजस्व द्वारा/Revenue by: Shri M. Naveen Kumar, DR

सुनवाई की तारीख/Date of hearing: 10/06/2024
घोषणा की तारीख/Pronouncement on: 13/06/2024

आदेश / ORDER

Aggrieved by the order dated 07/03/2024 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Madhavi Ponugoti ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. Brief facts of the case are that the learned Assessing Officer made an addition of Rs. 10,57,177/- for the deposits in the account of the assessee during demonetization period, holding that the assessee did not appear and explain these deposits. In the first appeal, the assessee had taken the plea that such deposits represent the repayment of the gold loan obtained by the assessee on earlier occasions. Learned CIT(A), however, did not accept the same on the ground that the assessee did not file any

return of income by declaring such income, nor did she pay the taxes thereon and also that no evidence is produced by her.

3. The assessee again submitted the bank statement before me to demonstrate that in the month of June, the assessee withdrew Rs. 10 lakhs from Bhavana Rishi Co-Op. Urban Bank Ltd., which the assessee re-deposited in her bank account due to demonetization. Learned AR submitted that the assessee was planning to purchase some immovable property for which the loan was obtained, but due to demonetization, the assessee was forced to deposit the same into her bank account.

4. Learned DR, on the other hand, submitted that the assessee had repaid gold loan in cash at Rs. 10,59,177/- as stated in the learned CIT(A) order and the same is not recorded in the books of accounts. Learned DR further submitted that the assessee did not explain the source of such deposits also and argued that the assessee did not offer any acceptable and cogent explanation regarding the source of such money found in the bank account and since the assessee did not file the return of income, the income earned has not been offered and taxes due are not paid, the gold loan repaid in cash is treated as un-explained money under section 69A of the Act, and upheld the addition.

5. I have gone through the record in the light of the submissions made on either side. Insofar as the assessee obtaining gold loan on 15/06/2016 is concerned, the bank statement is clear and the learned CIT(A) also did not suspect this document. There is nothing unusual in the plea taken by the assessee that planning to purchase some immovable property, the assessee obtained gold loan and because of the sudden demonetization, the assessee had to deposit the same into her account. When the source is clear and acceptable, the other things recorded by the learned CIT(A) cannot be a ground to make an addition. I, therefore, accept the

contention of the assessee and believe that there was source for the deposits made by the assessee in the bank account. Thus, I direct the learned Assessing Officer to delete the addition so made. Grounds are accordingly allowed.

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

Order pronounced in the open court on this the 13th day of June, 2024.

Sd/-

(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,
Dated: 13/06/2024

TNMM

Copy forwarded to:

1. Madhavi Ponugoti, 6-3-252/3, Anand Magum, Erramanzil Colony,
Somajiguda S.O. Khairatabad, Hyderabad.
2. Income Tax Officer, Ward-3(1), Hyderabad.
3. The Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE.

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ASSISTANT REGISTRAR
ITAT, HYDERABAD