

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

Shri Srinivasa Rao Vungarala ONGOLE PAN:ADDPV8984E	Vs.	Income Tax Officer Ward-1 ONGOLE
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:		Advocate Mr.Sashank Dundu
राजस्व द्वारा / Revenue by::		Smt. P Sumitha, DR
सुनवाई की तारीख / Date of hearing:		24/06/2024
घोषणा की तारीख / Pronouncement:		24/06/2024

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 12.04.2024 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2017-18.

2. The assessee is an individual and deriving income from other sources. The assessee filed his return of income for the Asst. Year 2017-18 on 27.03.2018 admitting total income at Rs.4,42,680/-. The case was selected for Limited Scrutiny through CASS to verify cash deposits during demonetization.

Hence, statutory notices u/s 143(2) & 142(1) of the Act of the I.T. Act, 1961 were issued and duly served on the assessee. The assessee did not furnish the requisite details. In the absence of response from the assessee, the Assessing Officer obtained bank statement from Indian Overseas Bank and Sate Bank of India, Ongole. On verification of said bank statements of A/c.No.036002000002286 and 10370670310, it was noticed that the assessee had deposited an amount of Rs.20,00,000/- and Rs.15,100/- respectively during the demonetization period. Hence, a show cause letter was issued to the assessee on 22.07.2019 and asked the assessee to file explanation as to why the said cash deposits shall not be treated as unexplained money u/s 69A of the I.T. Act, 1961 and added to the income returned towards unexplained money for the F.Y. 2016-17 relevant to the A.Y. 2017-18 in the absence of explanation. Though the assessee has furnished list of debtors collected by way of cash during demonetization, but he has not furnished full particulars and confirmation letters from the debtors. Hence, a final show cause letter was issued to the assessee on 10.10.2019 asking confirmation letters from the debtors, details of name & address of the debtors along with proof for identity of debtor. The assessee was also informed to furnish response through e-proceedings on or before 24.10.2019 along with documentary evidence in support of his claim 'if any' failing which it shall be deemed that he has no explanation for said cash deposits and no objection for addition of Rs.20,15,100/- towards unexplained money u/s 69A of the I.T.

Act, 1961. The assessee did not comply with the notices issued by the Assessing Officer and the Assessing Officer completed the assessment and the entire cash deposits of Rs.20,15,100/- was treated as income of the assessee u/s.69A of the I.T. Act, 1961 towards unexplained money and the same was chargeable to tax u/s.115BBE of the I.T. Act, 1961.

3. Feeling aggrieved, the assessee preferred an appeal before the learned CIT (A) but did not appear before the learned CIT (A) and furnished the requisite details. Hence the learned CIT (A) upheld the action of the Assessing Officer and dismissed the appeal filed by the assessee.

4. The learned Counsel for the assessee submitted that given an opportunity the assessee would be in a position to explain its case with proper evidence before the Assessing Officer or before the learned CIT (A) since the appellant is in the business of money lending and the interest income was offered to tax from time to time and in fact source for the cash deposit is repayment from loan debtors which were duly recorded in the books of account.

5. The learned DR, on the other hand, supporting the order of the authorities below submitted that the assessee did not comply with the statutory notices issued by the Assessing Officer and the learned CIT (A). Hence the grounds of appeal raised by

the assessee should be dismissed and the orders of the lower authorities should be upheld.

6. I have heard both the parties, perused the material available on record and gone through the orders of the authorities below. It is the submission of the learned Counsel for the assessee that given an opportunity, the assessee would be in a position to explain its case with necessary evidences before the Assessing Officer/learned CIT (A). I find there was non-compliance from the side of the assessee to the statutory notices issued by the lower authorities. Considering the totality of the facts and circumstances of the case, I deem it proper to restore the issue back to the file of the Assessing Officer with a direction to grant one more opportunity to the assessee to furnish the requisite details with evidence. The assessee is also directed to furnish the requisite details on the appointed date of hearing before the learned CIT (A) NFAC without seeking any adjournment under any pretext. Since the assessee has not complied with the statutory notices issued by the Assessing Officer/learned CIT (A), I levy a charge of Rs.2000/- on the assessee and the assessee is directed to deposit the same with the Telangana State Legal Aid Authorities at the Hon'ble Telangana High Court within one month from the date of this order and submit necessary payment slip to the Registry. I hold and direct accordingly.

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

Order pronounced in the Open Court on 24th June, 2024.

Sd/-

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

Hyderabad, dated 24th June, 2024

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Srinivasa Rao Vungarala, Flat No.G-1, Dr. Raghava Chary Apts, Opp: Sri Ram School, Santhapet, A.P 523001
2	Income Tax Officer Ward-1, IT Office, Nehru Street, Santhapet A.P 523001
3	Pr. CIT - Guntur
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order