

आयकर अपीलिय अधिकरण, 'सी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI**

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.38/Chny/2024
निर्धारण वर्ष/Assessment Year: 2012-13

Shri Coimbatore Kalyana Krishnan – Venkat Raman, 30/5, Karthik Apartments, P.A.Koil Street, Vadapalani, Chennai – 600 026.	v.	The Income Tax Officer, Non-Corporate Ward-19(7), Chennai.
[PAN: ALTPR 3680 D]		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Shri Y.Sridhar, FCA
प्रत्यर्थी की ओर से /Respondent by	:	Shri P. Sajit Kumar, JCIT
सुनवाईकीतारीख/Date of Hearing	:	22.05.2024
घोषणाकीतारीख /Date of Pronouncement	:	05.07.2024

आदेश / ORDER

PER ABY T. VARKEY, JM:

This is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter in short "the Ld.CIT(A)"), Delhi, dated 12.12.2023 for the Assessment Year (hereinafter in short "AY") 2012-13.

2. The main grievance of the assessee is against action of the Ld.CIT(A) confirming the disallowance of Rs.40,52,057/-. The brief facts are that the assessee was working in Qatar for over 30 years and is a



senior citizen and Management Graduate from XLRI, Jemshedpur. The AO noted that assessee had not filed return of income for AY 2012-13; and he had information that the assessee had deposited huge amount in his savings bank a/c and has received interest income, on which, TDS was deducted. He re-opened the assessment by issuing notice u/s.148(1) of the Income Tax Act, 1961 (hereinafter in short "the Act") on 27.03.2019. Pursuant to which, assessee filed return of income admitting total income of Rs.9,21,980/-. The AO asked the assessee to file copies of all bank-account statements held during FY 2011-12 (AY 2012-13); and furnish source of income; and to file computation of total income. And since, assessee didn't respond, the AO issued notice to Bank Manager, Axis Bank, Nungambakkam, and Dhanalakshmi Bank, Ashok Nagar, and sought details including bank statement for the relevant period, Fixed Deposit details, interest paid and TDS deducted. Having collected the information from the aforesaid banks, the AO served upon assessee the show cause notice 'as to why' the entire credits appearing in the bank account should not be assessed as unexplained investment u/s.69 of the Act, as well as interest income from other sources. According to the AO, assessee didn't file any reply. Therefore, the AO completed the assessment by making additions as under:



Returned Income	Rs.9,21,980/-
Interest income as discussed in para 7.b above	Rs.2,81,310/-
Addition u/s 69 of the IT Act, 1961 being unexplained investment(as discussed in para 7 above)	Rs.1,88,08,133/-
Total Assessed Income	Rs. 2,00,11,423/-

3. Aggrieved, the assessee preferred an appeal before the Ld.CIT(A), who was pleased to partly allow the appeal and restricted the addition to Rs.40,52,057/- in place of Rs.1,88,08,133/-.

4. Aggrieved, against the addition sustained, the assessee is in appeal before this Tribunal.

5. We have heard both the parties and perused the material available on record. We note that the assessee is a senior citizen and Management Graduate from XLRI, Jemshedpur, working at Qatar for over 30 years; and according to him, the money deposited in the bank accounts/Fixed Deposits etc., was earned by him outside India; and explained that he didn't had any other source of income except the overseas earning and pointed out that he had been only operating the NRI bank account, which account is only for receiving funds from overseas account. But the AO made the addition of entire deposits found in the bank account including the interest. On appeal, the Ld.CIT(A) has partly allowed the appeal of the assessee by accepting the nature and source of Rs.148 lakhs but



didn't accept the explanation in respect of Rs.40.52 lakhs, which breakup is explained by assessee as follows:-

a. Rs. 35,05,446 of Deposits in Savings Account with Dhanalakshmi Bank (as stated in the Assessment order), which is explained as under.

- i. Rs. 20 lakhs of Loan against Deposits taken from the bank itself.
- ii. Rs. 4.25 lakhs of self-transfer made from assessee's IndusInd Bank account
- iii. Rs. 9.5 lakhs were the transfer made from the assessee's Axis Bank account.

The bank statement along with the bank abstract evidencing the above are annexed herewith for your kind perusal.

b. It is to be noted that the amount of Rs.5,46,581 is the cumulative amount of deposit Rs.5,00,000 (reinvestment certificate - RIC) made more than three years back along with the interest earned during the years.

Also, the appellant has offered to tax the Interest amount of Rs.12,530 being the interest income earned on the above deposit made in the return of Income filed.

Further the Interest certificate evidencing the scheme of deposit (RIC) for the Fixed deposit no.912040008758169 is annexed herewith for your kind perusal.

6. According to the Ld.AR, credits into the Dhanalakshmi Bank are only transfer of funds from assessee's other bank accounts and there are no fresh deposits made in the Axis Bank, as it is only re-investment of deposits made earlier by the assessee. Thus, according to him, Rs.40.52 lakhs stands explained. Per contra, the Ld.DR submitted that reconciliation / explanation of the assessee may be remanded back to the file of the AO for limited verification.

7. We have gone through the re-reconciliation filed by the Ld.AR, and we find that the Ld.CIT(A) had sustained the addition of Rs.40.52 lakhs, because, assessee didn't file any documentary evidence regarding the



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total credit in Dhanalakshmi Bank to the tune of Rs.35,05,446/-; and the Fixed Deposits with Axis Bank to the tune of Rs.5,46,581/- which fact is discernable from chart reproduced at Page No.8 of the impugned order of the Ld.CIT(A). Since, assessee has filed a re-conciliation/explanation before us, regarding the nature & source of Rs.40.52 lakhs (supra), we set aside the impugned issue of addition sustained of Rs.40.52 lakhs back to the file of the JAO for limited purpose of verification of the re-conciliation/explanation given by the Ld.AR (supra); and the JAO after hearing the assessee and relevant documents filed, if any, by the assessee and find that assessee has explained the nature and source of Rs.40.52 lakhs, then, no addition is required; and in case, the assessee fails to prove the nature & source of Rs.40.52 lakhs, then, AO is at liberty to make assessment in accordance to law.

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

Order pronounced on the 05th day of July, 2024, in Chennai.

Sd/-

(अमिताभ शुक्ला)

(AMITABH SHUKLA)

लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-

(एबी टी. वर्की)

(ABY T. VARKEY)

न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 05th July, 2024.

TLN, Sr.PS



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आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF