

**IN THE INCOME TAX APPELLATE TRIBUNAL  
SMC-'B' BENCH : BANGALORE**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER  
AND  
SMT. BEENA PILLAI, JUDICIAL MEMBER**

<b>ITA No. 449/Bang/2024</b>
<b>Assessment Year : 2017-18</b>

Shri Jinnagara Kempaiah Puttaramgowda, 15/1, Trupthi Plaza, 2 <sup>nd</sup> Stage, Baniyan Tree Bus Stop, Outer Ring Road, Papareddy palya, Near BDA Complex, Nagarabhavi. Karnataka - 560 072. <b>PAN: AJLPP0356Q</b>	<b>Vs.</b>	The Income Tax Officer, Ward - 3(2)(1), Bangalore.
<b>APPELLANT</b>		<b>RESPONDENT</b>

Assessee by	:	Shri Balram .R Rao, Advocate
Revenue by	:	Shri Ganesh R Ghale, Advocate, Standing Counsel for Dept.

Date of Hearing	:	11-07-2024
Date of Pronouncement	:	18-07-2024

**ORDER**

**PER BEENA PILLAI, JUDICIAL MEMBER**

Present appeal arises out of the order dated 23.02.2024 passed by NFAC, Delhi for A.Y. 2017-18.

**2. Brief facts of the case are as under:**

**2.1** The assessee is an individual and filed his return of income for A.Y. 2017-18 on 29/03/2018, declaring a total income of

Rs.3,28,000/- under the head Income from Business and Profession. The return was processed by CPC and selected for scrutiny through CASS. Notices u/s. 143(2) and 142(1) were served on the assessee requesting to furnish the details.

**2.2** As the assessee failed to furnish the relevant details as called for during the assessment proceedings. The Ld.AO thus issued 133(6) to the bank in which cash was found to be deposited during the demonetisation period amounting to Rs. 43 Lakhs. The Ld.AO made addition in respect of the amount deposited during the demonetisation period in the hands of the assessee u/s. 68 of the act and invoked the provisions of section 115BBA.

**2.3** Aggrieved by the order of the Ld.AO, assessee preferred appeal before the Ld.CIT(A). The Ld.CIT(A) without verifying the details upheld the addition made by the Ld.AO.

**2.4** Aggrieved by the order of the Ld.CIT(A), the assessee preferred appeal before this *Tribunal*.

**3.** We note that the authorities below have not considered the CBDT circulars in order to verify the same. Even the Ld.AO during the assessment proceedings has not considered the relevant CBDT circulars that was issued for the purposes of verifying the demonetized cash deposited during the year under consideration. In the interest of justice, we remit this issue to the Ld.AO to verify the sales made by the assessee that is deposited into the bank accounts during the year under

consideration in accordance with the following circulars whichever is applicable to the facts of the case.

- a) The 1<sup>st</sup> instruction was issued on 21/02/2017 by instruction number 03/2017.
- b) The 2<sup>nd</sup> instruction was issued on 03/03/2017 instruction number 4/2017.
- c) The 3<sup>rd</sup> instruction was in the form of a circular dated 15/11/2017 in F.No. 225/363/2017-ITA.II and the last one dated 09/08/2019 in F.no.225/145/2019-ITA.II.

**4.** The assessee is also directed to furnish all relevant evidences in support of its claim. The Ld.AO shall verify the documents and consider the claim in accordance with law.

Needless to say that proper opportunity of being heard must be granted to assessee in accordance with law.

**Accordingly, the grounds raised by the assessee stands partly allowed.**

**In the result, the appeal filed by the assessee stands partly allowed.**

**Order pronounced in the open court on 18<sup>th</sup> July, 2024.**

Sd/-  
(CHANDRA POOJARI)  
Accountant Member

Sd/-  
(BEENA PILLAI)  
Judicial Member

Bangalore,  
Dated, the 18<sup>th</sup> July, 2024.  
/MS /

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|---------------|------------------------|
| 1. Appellant  | 2. Respondent          |
| 3. CIT        | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A)              |

By order

Assistant Registrar,  
ITAT, Bangalore