

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

Before
Shri Mahavir Singh, Hon'ble Vice-President

आ.अपी.सं / **ITA No.673/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2017-18)

Shri Peddi Reddy Gari Murali Mohan Reddy, ANANTAPUR PAN:CQGPM4774D	Vs.	Income Tax Officer Ward 1 Anantapur
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by: Shri A. Srinivas, CA		
राजस्व द्वारा/Revenue by: Shri Ashish Kumar Shukla,DR		
सुनवाई की तारीख/Date of hearing: 05/08/2024		
घोषणा की तारीख/Pronouncement: 05/08/2024		

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 14/05/2024 of the learned CIT (A)-NFAC, relating to A.Y.2017-18.

2. Facts of the case, in brief, are that the assessee, an individual, has made cash deposits of Rs.44,12,140/-in his bank account during the period of demonetization. Since the return of income for the A.Y 2017-18 was not filed though the returns of income for the A.Ys 2015-16 and 2016-17 were filed by the

assessee. Since the return of income for the A.Y 2017-18 was not filed, the case has been selected under Non-Filers' Category in ITBA for issue of notice u/s 142(1) and subsequently proceedings u/s 144 of the I.T. Act, 1961 were initiated for completion of scrutiny assessment in view of non-compliance for the query raised on cash deposits made during demonetization period. The assessee did not comply to the statutory notices issued by the Assessing Officer, a final notice dated 16.09.2019 was issued requesting him to submit the evidences of sources for the cash deposits of Rs.44,12,140/- made by the assessee during demonetization period. The assessee did not comply with the same and the Assessing Officer finally completed the assessment and made a demand of Rs.43,09,260/-.

3. Aggrieved by the assessment order, the assessee preferred an appeal before the learned CIT (A). Before the learned CIT (A) the assessee did not file any submission/documentary evidence to support his grounds of appeal during the appellate proceedings. Thus, the learned CIT (A) dismissed the appeal of the assessee and confirmed the addition made by the Assessing Officer.

4. Aggrieved with such order of the learned CIT (A) the assessee is in appeal before the Tribunal.

5. The learned Counsel for the assessee submitted that the business of the assessee is liquor trade and that the deposits

made into bank accounts were from sales of liquor and the Assessing Officer and the learned CIT (A) ought to have accepted that the deposits during the demonetization period were from sale of liquor. The learned Counsel for the assessee prayed for an opportunity to submit all the requisite details with documentary evidence before the Assessing Officer to substantiate assessee's case.

6. The learned DR, on the other hand, supporting the orders of the Assessing Officer and the learned CIT (A) and submitted that the assessee did not comply with the statutory notices issued by the Department, hence the orders of the Assessing Officer and the learned CIT (A) may be upheld.

7. I have heard the rival arguments made by both the sides, perused the orders of the AO and the learned CIT (A). I find that the assessee did not comply with the statutory notices issued by the Assessing Officer on several occasions and before the learned CIT (A) the assessee could not produce any submission/documentary evidence to support his case. Considering the totality of the facts of the case and in the interest of natural justice, I deem it proper to restore the issue to the file of the Assessing Officer with a direction to give reasonable opportunity of being heard to the assessee. The assessee is also hereby directed to submit all the requisite details along with documentary evidence before the Assessing Officer on the appointed date and time without seeking any adjournment

exempt in extreme circumstances. Thus, the appeal of the assessee is allowed for statistical purposes.

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.5th August, 2024.

Sd/-

**(MAHAVIR SINGH)
VICE-PRESIDENT**

Hyderabad, dated 5th August, 2024

Vinodan/SPS

Copy to:

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1	Sri Peddireddigari Murali Mohan Reddy, 1/310, K.Locherla, Anantapuram A.P 515 133
2	Income Tax Officer Ward 1, 3 rd Road, New Town, Anantapur 515004 A.P
3	Pr. CIT - Anantapur
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order