

आयकर अपीलिय अधिकरण, हैदराबाद पीठ में  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "B", HYDERABAD**

**BEFORE  
SHRI LALIET KUMAR, JUDICIAL MEMBER  
&  
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER**

आ.अपी.सं / ITA No.1809/Hyd/2019  
(निर्धारण वर्ष / Assessment Year: 2007-08)

Kondi Venkat Reddy Hyderabad [PAN :ALPPK1480N]	Vs.	Income Tax Officer Ward-15(2) Hyderabad
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri G.Sudhakar Rao, AR  
राजस्व द्वारा/Revenue by: Shri Madan Mohan Meena, DR

सुनवाई की तारीख/Date of hearing: 08/10/2024  
घोषणा की तारीख/Pronouncement on: 14/10/2024

**आदेश / ORDER**

**PER MADHUSUDAN SAWDIA, A.M.:**

This appeal is filed by Kondi Venkat Reddy, Hyderabad ("the assessee"), feeling aggrieved with the order passed by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), dated 26.09.2024 for the A.Y. 2007-08.

2. As culled out from the record, brief facts of the case are that the assessee along with Shri M.Durga Reddy, Shri B.Shankar and Shri T. Jangaiah Yadav had purchased land at Boduppall village ("impugned land") for total cost of Rs.7,45,00,000/- and sold the same at a profit of Rs.2,62,00,000/-. As the sale and purchase of the land was not disclosed by the assessee in

his return of income, learned Assessing Officer (“Ld. AO”) issued various notices under the provisions of the Income tax Act, 1961 (“the Act”). But, the assessee did not make any compliance to the said notices. Consequently, the Ld. AO completed the assessment u/s 144 r.w.s. 147 of the Act on 30/03/2015 by making addition u/s 69A of the Act to the tune of Rs.1,86,25,000/-, being 1/3 share of total purchase cost of the impugned land as remained unexplained and Rs.87,50,000/- on account of 1/3 share of the profit earned on sale of the impugned land.

3. Aggrieved with the order of the Ld. AO, the assessee filed appeal before the Ld. CIT(A) and the Ld. CIT(A), not convinced with the submissions of the assessee, upheld the additions made by the Ld. AO.

4. Aggrieved with the order of the Ld. CIT(A), assessee is in appeal before us. Ld. AR submitted that the assessee had made submissions before the Ld. CIT(A), that he was only name lender to the purchase/sale of the impugned land and was not an actual beneficiary to the sale / purchase transaction of the impugned land. He had also submitted before the Ld. CIT(A) that he was an employee and a benamidar of Shri M.Durga Reddy. In support of his submissions, he had also filed before the Ld. CIT(A) copy of bank statement held with Indian Bank, Narayanguda Branch, Hyderabad (page no. 26 of the paper book) which is in the joint name of Shri T. Jangaiah Yadav and Sri M.Durga Reddy. He also submitted before the Ld. CIT(A) that all the payments/receipts on account of the purchase/sale of the impugned land were through this bank account only and he had neither contributed anything towards the purchase of the impugned land nor had received anything out of the sale of the impugned land. Therefore, he finally submitted before the Ld. CIT(A) that he was only a name lender and not an actual beneficiary to those transactions. However, without considering his submission, the Ld. CIT(A) dismissed the claim of the assessee. Therefore, the Ld. AR prayed before the Bench to consider the submissions of the assessee and allow the appeal.

5. Per contra, Ld. DR relied on the orders of the revenue authorities and requested to uphold the orders of the lower authorities.

6. We have heard the rival submissions and perused the material available on record. On going through the records, we are of the considered view that the source of payments made towards purchase of the impugned land as well the actual beneficiaries to the sale proceeds of the impugned land have not been verified by the revenue authorities. As per the submission of the Ld. AR, all the payments/receipts on account of the purchase/sale of the impugned land were through the bank account with Indian Bank, Narayanguda Branch, Hyderabad, which is in the joint name of Shri T. Jangaiah Yadav and Sri M. Durga Reddy and the assessee had neither contributed anything towards the purchase of the impugned land nor had received anything out of the sale of the impugned land and the assessee was only an employee and a benamidar of Shri M. Durga Reddy. In the light of these findings, we deem it appropriate to remit the matter to the file of the Ld. AO with a direction to verify the sources of payment for the purchase of the impugned land and the actual beneficiaries to the sale proceeds of the impugned land and make the additions in the hand of the actual beneficiaries. Accordingly, the appeal of the assessee is allowed for statistical purpose.

7. In the result, appeal of the assessee is allowed for statistical purpose.

Order pronounced in the open court on this the 14<sup>th</sup> October, 2024.

Sd/-  
**(LALIET KUMAR)**  
**JUDICIAL MEMBER**

Sd/-  
**(MADHUSUDAN SAWDIA)**  
**ACCOUNTANT MEMBER**

Hyderabad,  
Dated: 14/10/2024  
*L.Rama, SPS*

Copy forwarded to:

1. Shri K.Venkata Reddy, D.No.2-4-123/38/3, Uppal, Hyderabad
2. The ITO, Ward-15(2), Hyderabad
3. The Pr.CIT-7, Hyderabad
4. The DR, Hyderabad
5. Guard File

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