

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES “SMC”, HYDERABAD**

**BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER**

ITA No.962/Hyd/2024		
Assessment Year: 2017-18		
Surada Venkata Krishna Moorthy, Khammam.  PAN : FTNPS5589D.	Vs.	The Income Tax Officer, Ward – 1, Khammam.
(Appellant)		(Respondent)
Assessee by:		Smt. S. Sandhya, Advocate.
Revenue by:		Shri U. Mini Chandran, Sr.AR
Date of hearing:		16.10.2024
Date of pronouncement:		16.10.2024

**ORDER**

**PER LALIET KUMAR, J.M.**

The appeal of the assessee for A.Y. 2017-18 arises from the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dt.29.07.2024 invoking proceedings under section 144 of the Income Tax Act, 1961 (in short, “the Act”).

2. The grounds raised by the assessee read as under :

“1. The order of the learned CIT (A) is erroneous both on facts and in law.

2) The learned CIT (A) erred in deciding the appeal ex-parte without providing proper opportunity;

3) The learned CIT (A) ought to have seen that the appellant had the necessary sources for the amount of Rs.12,00,000/- and explained the same before the Assessing Officer;

4) The learned CIT (A) ought to have seen that an amount of Rs.20,90,000/- was received as the sale consideration of the property during September, 2016 and the same was deposited during November/December, 2016 .

5) The learned CIT (A) ought to have seen that the appellant is an NRI and all his affairs have been managed by his brother in India;

6) The learned CIT (A) ought to have seen that the amount of deposit is made by his brother through the known sources of receipt and, therefore, the learned CIT (A) ought to have deleted the addition made; The order of the learned Commissioner of Income-tax (Appeals) is erroneous both on facts and in law, without giving any proper opportunity to the appellant.”

3. The brief facts of the case are that for the previous year relevant to the assessment year 2017-18, the assessee filed his return of income through e-filing on 16-12-2017 declaring total income of Rs.91,210/-. The return of income was processed u/s.143(1) of the Income tax Act, 1961. Subsequently, the case was selected for limited scrutiny and notices under Sections 143(2) and 142(1) of the Income Tax Act were issued and served on the assessee. In response to notices issued, u/s.142(1) on 29.07.2019, the assessee has not filed the information called for. Thereafter,

show cause letter was issued on 24.10.2019. As there was no compliance from the assessee, again show cause notice was issued on 01.11.2019 and there was no response from the assessee even to the 2<sup>nd</sup> show cause notice. As the assessee has not complied with the notices issued and furnished information, the sources for the cash deposits made in the bank accounts during demonetization period, remained unexplained and as such, the cash deposits aggregating to Rs. 12,00,000/- made in bank accounts during the demonetization period, was treated as the income of the assessee within the meaning of the provisions of sec.69A of the Act and brought to tax under the provisions of sec.115BBE of the Income Tax Act, 1961. Thereafter, penalty proceedings u/s.271AAC are hereby initiated separately. Thus, the Assessing Officer completed the assessment and passed assessment order u/s 144 of the Act on 20.11.2019.

4. Feeling aggrieved with the order of Assessing Officer, assessee filed an appeal before the Id.CIT(A), NFAC, Delhi, who dismissed the appeal of assessee.

5. Before me, Id.AR submitted that the assessee has failed to provide necessary information and appear before the lower authorities. Hence, the Id. AR requested the Bench to remand the matter back to the file of Assessing Officer. Ld.AR further submitted that as the assessee has sufficient cause from putting in appearance before the lower authorities, matter may kindly be remitted back to the authorities below for afresh adjudication.

6. Per contra, the ld.DR relied upon the orders of lower authorities.

7 I have heard the rival contentions of both the parties and perused the material available on record and also the orders passed by the lower authorities. On perusal of the impugned order passed by ld.CIT(A), I found that ld.CIT(A) passed order confirming the action of the Assessing Officer. The merits of the assessee's appeal before the ld.CIT(A) have neither been discussed nor decided by the ld.CIT(A). From para 3 to 3.5 of the order of ld.CIT(A), it is clear that ld.CIT(A) was forced to decide the appeal on the basis of material available on record, as there was no representation on behalf of the assessee even after granting several opportunities. In view of the above reasons, in our view, the ends of justice will be met if the matter is remanded back to the file of Assessing Officer with a direction to decide the issue after considering the documents available on record and affording the opportunities of hearing to the assessee in accordance with law subject to payment of costs of Rs.3,000/- (Rupees Three Thousand only) to be deposited by the assessee in the account of Prime Minister National Relief Fund which shall be deposited within one month or from the date of receipt of this order or whichever is earlier.

8. The assessee shall be at liberty to file documents, if any, as required for proving his case and the Assessing Officer shall consider the evidence, if any, filed by the assessee. Needless to say the Assessing Officer shall examine those documents / evidence filed by the assessee and also the other documents available on record.

After considering the documents filed by the assessee and the submissions made by the assessee, the Assessing Officer shall pass a detailed speaking order dealing with the contentions of the assessee. I have not adjudicated the other grounds on merits as I am setting aside the orders passed by the lower authorities to the file of Assessing Officer for fresh adjudication. Thus, the grounds of the assessee are allowed for statistical purposes.

9. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the Open Court on 16<sup>th</sup> October, 2024.

Sd/-

**(LALIET KUMAR)**  
**JUDICIAL MEMBER**

Hyderabad, dated 16<sup>th</sup> October, 2024.

***TYNM/sps***

Copy to:

S.No	Addresses
1	Surada Venkata Krishna Moorthy, Khammam, 6/3/2029, Bank Colony, Khammam, Telangana – 507002.
2	The Income Tax Officer, Ward – 1, Khammam.
3	Pr1.CIT, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

*By Order*