

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH : BANGALORE**

BEFORE SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER

ITA No.1799/Bang/2024
Assessment year : 2014-15

Ananda Reddy Nagaraja Reddy, No.10, Ground Floor, Ananda Reddy Complex, Attibele Hobli, Balur Village, Anekal Taluk. Bangalore 562107 PAN : AEEPR 5117B	Vs.	The Income Tax Officer, Ward 4(3)(5), Bangalore.
APPELLANT		RESPONDENT

Appellant by	:	Shri Guruswamy, ITP
Respondent by	:	Shri Chinmay Anand Jain, Jt.CIT(DR)(ITAT), Bengaluru.

Date of hearing	:	28.10.2024
Date of Pronouncement	:	04.11.2024

ORDER

Per Laxmi Prasad Sahu, Accountant Member

This appeal is filed by the assessee against the order dated 22.07.2024 of the CIT(Appeals), National Faceless Appeal Centre, Delhi [NFAC], for the AY 2014-15.

2. Briefly stated the facts of the case are that the assessee is engaged in the business of trading of jelly sand and cement, in addition to manufacture of bricks. The assessee filed return of income on

18.10.2014 declaring income of Rs.26,13,110. The case was selected for scrutiny and statutory notices were issued to the assessee. During the course of assessment proceedings, the assessee was asked to explain introduction of capital of Rs.2,24,37,380. The assessee submitted that source of capital is from sundry creditors to whom advances were paid earlier for supply of certain items like jelly sand and advances were returned back. The assessee also produced confirmation from the said creditors. Further the AO noted that these advances are not appearing in the balance sheet. In reply the assessee submitted that introduction of said capital is from his own account and hence it was not reflected in the assets side of balance sheet. The AO noted that there is no evidentiary value to substantiate the claim of assessee. Assessee was given opportunity and for want of explanation with documentary evidence, the said capital of Rs.2,24,37,380 was treated as unexplained cash credit u/s. 69A of the Act and added back into the total income of the assessee. Aggrieved from the above order, the assessee filed appeal before the First Appellate Authority (FAA).

3. The Id. FAA gave opportunities to the assessee and assessee requested for adjournment. The case was fixed for hearing on 15.7.2024, however there was no compliance from the assessee. Accordingly, the Id. FAA after providing number of opportunities dismissed the appeal of the assessee. Aggrieved, the assessee is in appeal before the ITAT.

4. The Id. AR reiterated the submissions made before the lower authorities and submitted that during the course of assessment proceedings, the assessee did not get proper opportunity to substantiate his claim and before the FAA the assessee sought adjournment, but the Id. FAA ignoring the request of the assessee dismissed the appeal. He requested that if a chance is given to the assessee, he undertook to respond to the notices and substantiate the case of the assessee with evidence before the lower authorities.

5. The Id. DR relied on the order of lower authorities and submitted that assessee was provided various opportunities but he was unable to represent his case with credible evidence. He objected to sending back the matter to lower authorities.

6. Considering rival submissions, we note that the AO has made the addition of Rs.2,24,37,380 towards capital introduction for want of proper evidence. The Id. FAA has given ample opportunities, however there was no compliance from the assessee's side. Therefore he dismissed the appeal. The Id. AR submitted that the amount contributed is out of his own capital, but this fact has not been verified for want of proper evidence. Considering the prayer of the assessee and in the interest of justice, we remit the issue to the Assessing Officer for fresh consideration and decision as per law, subject to payment of costs of Rs.10,000/- (Rupees Ten Thousand Only). The assessee is directed to file necessary documents that would be essential and required for substantiating his case and for proper adjudication by

the revenue authorities. Needless to say that reasonable opportunity of being heard be given to the assessee. The assessee is directed to cooperate with the proceedings and in case of further default, the assessee shall not be entitled to any leniency.

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

Pronounced in the open court on this 04th day of November, 2024.

Sd/-
(PRAKASH CHAND YADAV)
JUDICIAL MEMBER

Sd/-
(LAXMI PRASAD SAHU)
ACCOUNTANT MEMBER

Bangalore,
Dated, the 4th November, 2024.

/Desai S Murthy/

Copy to:

1. Appellant
2. Respondent
3. Pr.CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.