

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM  
AND SHRI SOUNDARARAJAN K., JM**

**ITA Nos. 694 to 697/Coch/2023  
Assessment Yeas: 2014-15 to 2017-18**

Bindhu Thottungal Geroge  
Kallukkaran House  
Thiruvambady P.O.  
Thrissur 680022  
[PAN: BDTPB5068C]

..... Appellant

Vs.

The Income Tax Officer, Ward - 1(1)  
Sakthan Thampuram Nagar  
Thrissur 680001

..... Respondent

Appellant by: Shri Vipin K.K., CA  
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 27.11.2024  
Date of Pronouncement: 09.12.2024

**ORDER**

**Per: Inturi Rama Rao, AM**

These four appeals filed by the assessee are directed against the orders of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 09.08.2023 for Assessment Year (AY) 2014-15 to 2017-18.

2. Since identical issues are involved, these appeals are heard together and disposed of vide this common order.

3. Brief facts of the case are that the assessee, an individual, is engaged in the business of running a small fruit shop in Thrissur. The returns of income for the relevant assessment years were filed disclosing a total income of Rs. 2,56,000/-, Rs. 2,75,020/-, Rs. 2,79,220/- and Rs. 1,66,160/-, respectively. Subsequently the Income Tax Officer, Ward – 1(1), Thrissur (hereinafter “the AO”) on receipt of information that the assessee constructed a residential building with the permission dated 06.01.2014, spreading over a period of four years, formed an opinion that income escaped assessment to tax. Accordingly, the assessments were completed by the AO by making additions of Rs. 3,53,325/-, Rs. 8,34,437/-, Rs. 25,43,534/- and Rs. 4,20,151/- for the assessment years 2014-15, 2015-16, 2016-17 and 2017-18 respectively as unexplained expenditure u/s. 69C of the Act.

4. On appeal before the CIT(A), the assessee had filed cash flow statements demonstrating the source of the cost of investment in the house property. However, the CIT(A) held that the assessee had failed in explaining the source of the investment.

5. Being aggrieved, the assessee is in appeal before us in the present appeal.

6. We have carefully perused the orders of the lower authorities. At the outset we find the AO had erred in applying the provisions of section 69C of the Act, which have no application to the facts of the case. If the AO is not satisfied with the explanation offered by the assessee regarding the cost of construction, he could have taken recourse to the provisions of section 69 of the Act. In the present case the assessee had filed cash flow statement showing the

source for the cost of construction of the house property. There is no material on record to disbelieve the explanation offered in support of the source for the cost of construction of the property. The AO cannot make additions merely based on assumptions and surmises. Therefore, in the circumstances we are of the considered opinion that there is no ground for any addition as unexplained expenditure. Accordingly we direct the AO to delete the additions of Rs. 3,53,325/-, Rs. 8,34,437/-, Rs. 25,43,534/- and Rs. 4,20,151/- for the assessment years 2014-15, 2015-16, 2016-17 and 2017-18 respectively.

7. In the result, the appeals filed by the assessee are allowed.

Order pronounced in the open court on 9<sup>th</sup> December, 2024

Sd/-  
**(SOUNDARARAJAN K.)**  
**JUDICIAL MEMBER**

Sd/-  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 9<sup>th</sup> December, 2024

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar  
ITAT, Cochin