



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA Nos.2158, 2159, 2160, 2161 and
2162/PUN/2024

निर्धारण वर्ष / Assessment Years : 2016-17, 2015-16, 2014-15,
2013-14 and 2017-18

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| Santosh Ambadas Jawale, At Post Pipalgaon Landga Walki, Post Mehakari, Tal. Nagar, Dist. Ahmednagar – 414 001 Maharashtra PAN : AGLPJ4896J | Vs. | ITO, Ward-1, Ahmednagar |
| Appellant | | Respondent |

| | | |
|-----------------------|---|----------------------|
| Assessee by | : | Shri Prasad Bhandari |
| Revenue by | : | Shri Sourabh Nayak |
| Date of hearing | : | 16.12.2024 |
| Date of pronouncement | : | 17.12.2024 |

आदेश / ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

This bunch of five appeals filed by the assessee pertaining to the captioned assessment years are directed against the separate orders passed u/s.250 of the Income Tax Act, 1961 [in short "the Act"] by the National Faceless



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Appeal Centre, Delhi [in short “NFAC”] dated 14.08.2024 which in turn arising out of respective assessment orders.

2. Since identical grounds have been taken by the assessee in these appeals I proceed to dispose of the appeals by this consolidated order for the sake of convenience.

3. I first take up ITA No.2158/PUN/2024 for the A.Y. 2016-17 as the lead case. Grounds of appeal raised by assessee read as under:

“1. On the facts and in the prevailing circumstances of the case and in Law. the Resp. CIT(A)-NFAC erred in confirming the addition made by the Ld. Assessing Officer without appreciating the facts of the case. Hence, the addition of Rs.81,743 may please be deleted.

2. On the facts and in the prevailing circumstances of the case and in Law. the Resp. CIT(A) NFAC erred in confirming the addition made by the Ld. Assessing Officer without appreciating the fact that the Ld. Assessing Officer has made addition in the hands of the assessee for the income which belonged to the mother of the assessee. Hence, the addition of Rs.81,743 may please be deleted.

3. It is prayed before the Hon'ble Bench that since the assessee could not represent the case before the Ld. Assessing Officer as well as Resp. CIT(A)-NFAC due to the genuine circumstances, the impugned order may please be set aside and the fresh opportunity may please be allowed before the Ld. Assessing Officer.

4. The Appellate craves the permission to add, amend, modify, alter, revise, substitute, delete any or all grounds of the appeal, if deemed necessary at the time of hearing of the appeal.”



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4. The facts apropos this appeal are that the assessee is stated to be engaged in the business of Dairy Farm. The assessee filed the return of income for the A.Y. 2016-17 on 15.10.2016 declaring total income of Rs.5,52,030/-. Based on the information that the assessee made multiple Fixed Deposits with Society namely, Shrinath Multistate Urban Co.op Credit Society, Ahmednagar, proceedings were initiated by issuance of notice u/s.148. There was no compliance by the assessee. Notices u/s.142(1) and Show cause notice were issued to the assessee requiring him to show cause as to why interest earned by him on deposits made with the society amounting to Rs.81,743/- may not be assessed under the head "Other Sources". No compliance was made by the assessee to such notices. In the event, the Assessing Officer was constrained to pass the best judgment assessment u/s.147 r.w.s.144 r.w.s.144B of the Act making addition of Rs.81,743/- as unexplained on account of interest income.

5. Aggrieved assessee preferred appeal before the Id.CIT(A)/NFAC which dismissed the appeal of the assessee by observing as under :



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“7.7. In the present case the appellant has not complied with any of the notices issued to him during appellate proceedings. However, at the time of filing the appeal he submitted in the Form-35 that the deposits were made by his mother without giving information to him from the money received during the retirement of her government job. However in the facts submitted separately by the appellant he submitted that the FDs were created from the money received during the time of his father's demise. Now once he claimed that money deposited was from the money received at the time of his mother's superannuation and at the same time in facts attached by him he claimed that it was from the money received at the time of his father's death. Thus, it clearly indicates that the appellant himself is ambiguous about his claims and his claims are not genuine. Further, the appellant has not submitted any documentary evidence for both the claims made by him. Thus, it is clear that the claims made by the appellant are baseless. It shows that the appellant had money deposited from the undisclosed sources and earned interest on that. Further, in the above facts and circumstance, in the absence of any satisfactory explanation from the appellant with regard to the cash deposit made by him in his bank account, duly following the decisions of honourable courts cited above, the total addition of interest earned of Rs. 81,743 made by the Assessing Officer is confirmed. The grounds raised in this regard are dismissed.”

6. Now the assessee is in appeal before the Tribunal with the grounds extracted above.

7. At the outset, Ld. Counsel for the assessee submitted that in all these appeals Ld. AO has made the addition for the alleged undisclosed interest income on the Fixed Deposits made with the society namely Shrinath Multistate Urban Co.op Credit Society, Ahmednagar. He submitted that the assessee's mother is a Retired Govt. Servant and



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Physically handicapped. On her retirement, she gave the funds to her son for making necessary investment and the assessee thereafter made certain Fixed Deposits with the above referred Society. He further submitted that as per the information available in the Media the Society has become insolvent and most of the Depositors have filed the cases for recovery of their Principal and Interest. He also submitted that assessee did not receive any interest income in his bank account and further the interest income, if any, belongs to his mother. However, he could not dispute the fact that Fixed Deposits were made in his own name. He further submitted that assessee could not appear before both the lower authorities because the information was not accessible from the society but recently it has come to his notice that information about the depositors and the interest paid/credited will be shared. He thus prayed that one more opportunity may be granted by restoring the matter to the Jurisdictional Assessing Officer so that the assessee gets an opportunity to plead the case on merits.

8. On the other hand, the ld. Departmental Representative firstly strongly argued that the assessee had not disputed the fact that there is interest income.



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Thereafter, referring to A.Y. 2013-14, he submitted that assessee has even declared Rs.6.00 lakhs in the Pradhan Mantri Garib Kalyan Package (PMGKY) but did not submit the forms in respect of the tax payment and this indicates that the assessee was in knowledge of the fact that there is interest income not disclosed in the regular return. Therefore, the assessee do not deserve any second round of proceedings before the lower authorities. He however at the end submitted that even if on the ground of Principle of Natual Justice this Hon'ble Tribunal decides to restore the issue to the lower authorities, then the matter may be restored to the file of ld. Jurisdictional Assessing Officer to decide the issue on merits.

9. I have heard the rival contentions and perused the record placed before us. It is an admitted position that the assessment proceedings as well as the First Appellate proceedings were decided *exparte* qua the assessee. It is the contention of the ld. Counsel for the assessee that the assessee could not represent before either of the authorities for the reasons beyond his control. He therefore pleaded that one more opportunity may be given to the assessee for representing his case effectively. Considering the facts in



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entirety and in the interest of principles of natural justice, without dwelling into merits of the issue, I deem it proper to set-aside the impugned order under challenge and remit it back to the file of Jurisdictional Assessing Officer to the stage of its institution with a direction to adjudicate the subject matter of alleged interest income from Fixed Deposits with Shrinath Multistate Urban Co.op Credit Society, Ahmednagar *denovo* in accordance with law after providing reasonable opportunities and pass a speaking order. Assessee is also directed to remain vigilant and make satisfactory compliance to the notice(s) of hearing issued by the Assessing Officer and should refrain from taking adjournments unless otherwise required for reasonable cause. Effective grounds of appeal raised by the assessee are allowed for statistical purposes.

10. The facts remain identical in respect of ITA Nos. 2159 to 2162/PUN/2024 for the respective assessment years except variance in amount of interest income earned from fixed deposits. Therefore, the finding given in ITA No.2158/PUN/2024 for A.Y. 2016-17 would apply *mutatis mutandis* to these appeals as well.



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11. In the result, all the appeals filed by the assessee are allowed for statistical purposes.

Order pronounced on this 17th day of December, 2024.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 17th December, 2024.
Satisfy

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.