

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ में
IN THE INCOME TAX APPELLATE TRIBUNAL
VISAKHAPATNAM BENCH, VISAKHAPATNAM

BEFORE
SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER
&
SHRI S. BALAKRISHNAN, ACCOUNTANT MEMBER

आ.अपी.सं / ITA No. 304/Viz/2023
(निर्धारण वर्ष / Assessment Year: 2017-18)

Tripuraneni Sarada Devi, Income Tax Officer,
Vijayawada. Vs. Ward-2(3),
[PAN : AGNPT7293D] Vijayawada.

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri C. Subrahmanyam, AR

राजस्व द्वारा/Revenue by: Dr. Aparna Villuri, Sr. AR

सुनवाई की तारीख/Date of hearing: 08/01/2025

घोषणा की तारीख/Pronouncement on: 17/01/2025

आदेश / ORDER

PER K. NARASIMHA CHARY, J.M:

Aggrieved by the order dated 25/09/2023 passed by the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi ("Ld. CIT(A)"), in the case of Sarada Devi Tripuraneni ("the assessee"), assessee preferred this appeal.

2. Brief facts of the case are that the assessee made cash deposits to the extent of Rs. 24,55,030/- in her bank account, maintained with the State Bank of India ("SBI"), during demonetization period. Thereafter, in

response to the notice issued by the Learned Assessing Officer (“learned AO”) U/s. 142(1) of the Income Tax Act, 1961, assessee filed her return of income of Rs. 2,49,788/-. On being asked with respect to the source of cash deposits of Rs. 24,55,030/-, the assessee submitted that the cash deposits were made out of the cash Rs. 25 lakhs withdrawn over a period of time from the NRE/NRO and other bank accounts of her children who were settled in USA. However, learned AO, after considering the submissions and explanation of assessee, treated the cash deposits of Rs. 19,55,030/- as unexplained money U/s. 69A read with section 115BBE of the Act.

3. Aggrieved, assessee preferred an appeal before the learned CIT(A). Learned CIT(A), after considering the submissions of the assessee and the material available before him, directed the learned AO to accept 50% of the cash deposits of Rs. 24,55,030/- which works out to Rs. 12,27,515/- as explained. Thus, the learned CIT(A) partly allowed the appeal of the assessee. Hence, the assessee is in appeal before us.

4. Learned Authorized Representative (“learned AR”) submitted that assessee is financially supported by her two sons, who are residing in USA. Out of such funds received by the assessee, after using some portion of the funds, converted the balance amount into Fixed Deposits (“FD”) in SBI and has received bank interest also. It was further submitted that assessee availed loan on such FDs with a view to purchase immovable property. Since the assessee’s proposal for purchase of property did not materialize, assessee has re-deposited the amounts into her bank accounts. Thus, learned AR submitted that since the assessee has properly explained the sources for the cash deposits, the addition made by the learned AO and partly sustained by the learned CIT(A) is unwarranted and not justified.

5. Per contra, Learned Departmental Representative (“learned DR”) vehemently relied upon the orders of the lower Authorities.

6. The core issue involved in this appeal is whether the assessee's explanation with regard to the source of cash deposit made during the demonetization period is acceptable? On this issue, the contention of the learned AR is that the assessee is financially supported by her two sons, who are residing in USA. Out of such funds, the assessee made a substantial portion into FDs in SBI and availed loans. To substantiate this contention, the learned AR filed a paper book containing the bank account statements of loan availed by the assessee and a confirmation letter from SBI, Guru Nanak Branch, Vijayawada as well as the affidavits from the assessee's two sons who said to have been financially supported their mother, the assessee.

7. On a perusal of the bank statements, we find that the assessee's bank accounts with SBI were debited with Rs. 13,00,000/- and Rs. 11,65,000/- on 05/05/2016. Further, we have also gone through the letter dated 18/12/2019 issued by the Chief Manager, SBI Gurunanak Nagar Branch, Vijayawada confirming that the assessee has availed loans aggregating to Rs. 24,65,000/-. Under these circumstances, we find merits in the arguments of the learned AR. Therefore, considering facts and circumstances of the case, we hereby direct the learned AO to verify the loans availed by the assessee which are the source for cash deposits made by the assessee and, if found correct, the learned AO will treat the cash deposits as explained and will not make any addition. It is ordered accordingly.

7. In the result, appeal of the assessee is allowed.

Order pronounced in the open court on the 17th January, 2025.

Sd/-

(S. BALAKRISHNAN)
ACCOUNTANT MEMBER
Hyderabad, Dated:17/01/2025
OKK/sps

Sd/-

(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Copy forwarded to:

1. Tripuraneni Sarada Devi, 54-16-15, Flat-104, Sri Nilaya Apartments, Vijayawada, Andhra Pradesh-520008.
2. Income Tax Officer, Ward-2(3), Vijayawada, Andhra Pradesh.
3. Pr. CIT,
4. DR, ITAT, Visakhapatnam.
5. GUARD FILE.

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Visakhapatnam