

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH : NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER
AND
SHRI KHETTRA MOHAN ROY, ACCOUNTANT MEMBER

ITA.No.359/NAG./2024
Assessment Year 2017-2018

Sandhya Rajesh Bhele, Mali Pura, Near Krishna M. Chandur Bazar, Dist. AMRAVATI. PIN – 444 704. Maharashtra. PAN BBHPB3478E	vs.	The Income Tax Officer, Ward-1, Ayakar Bhavan, Near DPS, SATURNA – 444 607. Maharashtra.
(Appellant)		(Respondent)

For Assessee :	Shri R.B. Atal, Advocate
For Revenue :	Shri Sandipkumar Salunke, CIT-DR

Date of Hearing :	27.01.2025
Date of Pronouncement :	28.01.2025

ORDER

PER V. DURGA RAO, J.M. :

This appeal filed by the assessee against the order dated 23.03.2024, of the learned PCIT, Nagpur-1, Nagpur, relating to assessment year 2017-2018.

2. Facts of the case, in brief, are that the assessee is an individual and filed the return of income on 23.03.2018 declaring income at Rs.4,48,380/-. In this case, information was received from

the DCIT, Circle-4, Nagpur to the effect that during demonetization period assessee has made cash deposits of Rs.2 lakhs in Aditya Anagha Muli State Credit Co.op Society Ltd. The jurisdictional Assessing Officer initiated the proceedings u/sec.147 after taking prior approval from the competent authority and issued statutory notices u/sec.142(1) of the Act. In response to the said notices, the assessee filed copy of ITR, computation and bank statement. The Assessing Officer after examining the documents placed on record, accepted the return of income filed by the assessee and completed the assessment u/sec.147 r.w.s.144B of the Act vide order dated 26.03.2022. However, the learned PCIT while exercising his revisional powers u/sec.263 of the Act noted that the NFAC without making inquiries or verification of the claims of the assessee, accepted the return of income and thereby, the order of the Assessing Officer is not only erroneous but also causing prejudicial to the interest of revenue. He, therefore, issued show cause notice to the assessee calling her to explain as to why the amount of Rs.2 lakhs deposited in the Bank should not be added back to the return of income of the assessee. From careful perusal of the order of the PCIT, it is noticed that several notices were issued to the assessee and the

status of such notices were 'Bounced'. Basing on the material available on record, the PCIT directed the Assessing Officer to made addition of Rs.4,12,225/- by treating the cash deposited in bank as unexplained.

3. Aggrieved by the order of the learned PCIT, the assessee is in appeal before the Tribunal.

4. Learned Counsel for the Assessee, during the course of hearing submitted that the assessee has furnished all the requisite details such as ITR, bank statement as called for by the Assessing Officer and after thorough examination of the documents placed on record, the Assessing Officer accepted the return of income filed by the assessee. He submitted that he has not received any notice from the PCIT and he has no knowledge about the pendency of proceedings u/sec.263 before the PCIT. He submitted that the assessee came to know the impugned order of the PCIT only upon receipt of the order physically from the O/o. ITO, Amaravati. He submitted that the assessee has disclosed all the incomes in her return of income and as such there is no error in the order of the Assessing Officer nor any prejudice is caused to the interest of revenue. He, therefore,

submitted that the order of the learned PCIT is not in accordance with law and be quashed.

5. The Learned DR on the other hand relied on the order of the PCIT and submitted that the impugned order passed by the PCIT u/sec.263 by enhancing the assessment making the addition of Rs.4,12,225/- treating the cash deposited in the bank as unexplained is in accordance with law and accordingly submitted that the order of the PCIT be confirmed.

6. We have heard the rival submissions of both the parties and perused the material on record. We find that the assessee in the instant case has furnished all the details as called for by the Assessing Officer in response to the statutory notices issued by him and after thorough examination of the said documents such as copy of ITR, computation and bank statement, the Assessing Officer accepted the return of income. Further, the Assessing Officer has called for the details with respect to the deposits made in the bank and after considering the explanation and documents submitted by the assessee, the Assessing Officer accepted the return of income. We are, therefore, of the opinion that it is not a fit case to invoke the revisional jurisdiction by the PCIT u/sec.263 of the Act as no error

crept in the order of the Assessing Officer nor any prejudice caused to the interest of revenue. We, accordingly, quash the impugned order of the learned PCIT passed u/sec.263 of the Act and restore the order of the Assessing Officer. We hold and direct accordingly.

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

Order pronounced in the open Court on 28.01.2025.

Sd/-
(KHETTRA MOHAN ROY)
ACCOUNTANT MEMBER

Sd/-
(V. DURGA RAO)
JUDICIAL MEMBER

Nagpur, Dated 28th January, 2025

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The CIT(A), Nagpur concerned
4.	The CIT, Nagpur concerned
5.	The D.R. ITAT, Nagpur Bench, Nagpur
6.	Guard File.

//By Order//

True Copy

Sr. Private Secretary : ITAT : Nagpur Bench
NAGPUR.