

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH, BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA No. 2499/Bang/2024
Assessment Year: 2014-15

Shri Nagappa Ganapathi Shet, C/o Sabhavati Jewellers, 2 nd Cross, Killa, C.B.T Hubballi. PAN – AEOPS 8845 P	Vs.	The Income Tax Officer, Circle - 2(2), Hubballi. .
APPELLANT		RESPONDENT

Assessee by	:	Shri Vinay Kulkarni, CA
Revenue by	:	Shri Ganesh R Gale, Standing Counsel for Dept. (DR)

Date of hearing	:	23.01.2025
Date of Pronouncement	:	05.03.2025

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

This is an appeal filed by the assessee against the order passed by the NFAC, Delhi dated 27/09/2024 in ITA No. ITBA/NFAC/S/250/2024-25/1069178131(1) for the assessment year 2014-15.

2. The effective issue raised by the assessee is that the learned CIT(A) erred in sustaining the ad-hoc addition of Rs. 12,43,800/- made by the AO.

3. The facts in brief are that the Assessee is an individual and engaged in the business of trading of gold and silver bullion through the proprietary concern namely M/s Sabhavati Bullion. The assessee filed his return for the year under dispute i.e. assessment year 2014-15, declaring an income of Rs. 10,29,490/- only. The case of the assessee was selected under scrutiny assessment and finally assessment under section 143(3) of the Act was completed accepting the return income vide order dated 16th September 2016.

4. Subsequently, the assessment was reopened under section 148 of the Act vide notice dated 31.03.2019 and reassessment proceeding under section 147 of the Act was initiated.

5. The AO during the reassessment proceeding found that the assessee was asked to substantiate the sources of cash deposits of Rs. 12,43,800/- but the assessee failed to provide necessary evidences to establish the source. Hence, the AO resorted to the provisions of section 68 of the Act and made an addition of Rs. 12,43,800/- by treating the impugned sum as unexplained cash credit.

6. The aggrieved assessee preferred an appeal before the learned CIT(A)/NAFAC.

7. The learned CIT(A) held that the assessee was provided several opportunities, but the assessee did not make any submission or furnish evidence supporting the cash deposits. Therefore, the appeal of the assessee deserved to be diminished for the fact that the assessee is not interested in pursuing the appeal. However, the learned CIT(A) further

opined that the matter needs to be decided on merit as per the materials available on record. However, the learned CIT(A) on merit confirmed the addition made by the AO by holding that the AO clearly found that the assessee failed to furnishing evidence to establish the source of sum of Rs. 12,43,800/- deposited in the bank and the further failed to establish the same during appellate proceeding.

8. Being aggrieved by the order of the learned CIT(A)/NFAC, the assessee is in appeal before us.

9. The learned AR before us filed a paper book running from pages 1 to 22 and submitted that all the necessary details justifying the source of cash deposit were filed during the assessment proceedings which can be verified from the statement of facts filed during the appellate proceedings. However, the learned CIT-A without considering the statement of facts filed by the assessee has confirmed the addition made by the AO. The Ld. AR further prayed before us to set aside the issue to the file of the Id. CIT-A for fresh adjudication as per the provisions of law.

10. On the other hand, the learned DR raised no serious objection if the matter is set aside to the file of the Id. CIT-A for fresh adjudication as per the provisions of law.

11. We have heard the rival contention of both the parties and perused the material available. At the outset we note that the learned CIT(A) in confirming the addition made by the AO held that the assessee has not furnished any explanation or submission. On the contrary from

the order of the learned CIT(A) itself, we find that the assessee along with Form 35 has filed detailed statement of facts and the same has been reproduced on pages 4 to 7 of his order (the Id. CIT(A)). However, the learned CIT(A) without considering the facts on record furnished by the assessee proceeded to dismiss the appeal of the assessee for the want of supporting documents. Nevertheless, considering the facts stated above, we are inclined to restore the issue to the file of the Id. CIT-A for fresh adjudication as per the provisions of law. The assessee is at liberty to furnish the supporting documents to justify the source of cash deposit. Hence, the ground of appeal of the assessee is hereby allowed for statistical purposes.

12. In the result, the appeal of the assessee is hereby allowed for statistical purposes.

Order Pronounced by the in court on 5th day of March, 2025

Sd/-

(KESHAV DUBEY)
Judicial Member

Sd/-

(WASEEM AHMED)
Accountant Member

Bangalore
Dated, 5th March, 2025
/ vms /
Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore