

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR "SMC" BENCH : NAGPUR

BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER

I.T.A.No. 289/NAG/2025
(Assessment Year 2013-14)

Maithili Milind Rane, Bungalow No.13, Mulik Complex, Wardha Road, Somalwada, Nagpur. PAN : ALVPR 5608 K	vs.	ITO, Ward-5(3), Nagpur.
(Appellant)		(Respondent)

For Assessee	:	Ms. Mrudul Bhusari, Ld.Advocate & Ms. Alfiya Rozia, CA (<i>Amicus Curiae</i>)
For Revenue	:	Shri Anand Nagrale, Ld.Sr.DR

Date of Hearing	:	25.06.2025
Date of Pronouncement	:	25.06.2025

ORDER

This appeal has been preferred by the assessee against the order dated 27/03/2025 impugned herein passed by the Ld. Commissioner of Income Tax (Appeals)/NFAC, Delhi [in short, "Ld.Commissioner"] u/sec. 250 of the Income Tax Act, 1961 (for short, "the Act") for the Assessment Year (for short, "AY") 2013-14.

2. In the instant case, as per information received by the Assessing Officer, he came to know that assessee has invested ₹ 17,00,000/- in F.Y. 2012-13 in cash with M/s. Wasankar Wealth Management, Nagpur. The assessee has not filed her return of income, therefore, the case of the assessee was reopened u/sec. 147 of the Act, while issuing notice dated 28/03/2021 u/sec. 147 of the Act, in response the assessee filed its return of income on dated

30/05/2021 and thereafter, the A.O. issued statutory notices to the assessee. However, the assessee made no compliance, therefore, in the constrained circumstances and in the absence of sufficient proof, the A.O. made the addition of ₹ 17,00,000/- u/sec. 69A of the Act as unexplained investment. The assessee being aggrieved challenged the said addition before the Ld. Commissioner by filing first appeal and claimed as under:-

- "1) *The nature of employment of assessee is salaried.*
- 2) *Assessee has filed ITR in response to notice.*
- 3) *Mr. Wasankar of M/s Wasankar Wealth Management was running ponzy scheme.*
- 4) *He offered very high rate of interest from 20% to 40% p.a.*
- 5) *Ld. AO made addition of Rs. 17,00,000/- u/s 69 of the IT Act, 1961.*
- 6) *Assessee lodged complaint with EOW about recovery of money from Mr. Wasankar and in complaint she claimed money maturity from Mr. Wasankar in FY. 2012-13 as promised by him.*
- 7) *The amount added to the income Rs. 17,00,000/- was not the amount invested with Mr. Wasakar during AY, 2013-14 but,*
- 8) *Assessee has invested only Rs. 13,82,200/- with Mr. Wasankar.*
- 9) *Invested Rs. 12,00,000/- in FY. 2011-12 and Rs. 1,82,200/- in FY. 2012-13.*
- 10) *To support above point no.6, I also upload receipt issued by Mr. Wasankar.*
- 11) *It is not feasible to tax investment made Rs. 12,00,000/- in FY. 2011-12 in AY. 2013-14. (Assessee also provided supporting for this investment also.)*
- 12) *Investment of Rs. 1,82,200/-in AY. 2013-14 was proved with evidences.*
- 13) *The AO did not verify the full facts with the submission and evidences produce before him.*
- 14) *Without doing requisite exercise the AO jumped to the conclusion best suited to his convenience by passing such order in hurry.*
- 15) *In the circumstances AO's action is unilateral and arbitrary and capricious in nature.*
- 16) *In view of this addition made of Rs. 17,00,000/- deserved to be knocked down in full and thereby penalty proceedings u/s 271(1)(c)."*

As the assessee has claimed that it has made investment of ₹ 13,82,000/- in the F.Y. 2012-13, the Ld. Commissioner, thus in order to verify the factual aspects, had sought for remand report

from the A.O., who more or less reiterated the addition made by the A.O. Ld. Commissioner forwarded the remand report to the assessee for comments. The assessee in its reply again reiterated its claim as made earlier and filed a detailed reply vis-a-vis claiming that she is a salaried employee and made the investment to the tune of ₹ 1,82,200/- in the F.Y. 2012-13 relevant to the A.Y. 2013-14 and thereafter, the addition of ₹ 17,00,000/- deserve to be knocked down in full.

3. The Ld. Commissioner though considered the aforesaid peculiar facts and circumstances of the case as well as additional evidence submissions filed by the assessee remand report and reply thereto, however, affirmed the aforesaid addition of ₹ 17,00,000/- mainly by holding that the assessee has not been able to explain the source of cash, which was invested with Wasankar Wealth Management for higher returns. The Ld. Commissioner also held that there is no infirmity in the remand report of the A.O.

4. The findings of the Ld. Commissioner goes to show that he mainly considered the remand report but not claim of the assessee as well as additional evidence as mentioned at page no.8 by himself. It is also an admitted fact that during the assessment proceedings as it clearly appears at para 12, the assessee before the Ld. Commissioner has also submitted the bank statement, receipt issued by M/s. Wasankar Wealth Management and maturity cheques, however, none of the documents have been considered by the Ld. Commissioner. Even otherwise from the assessment order, it is nowhere appears, as on what basis, the addition has been made by A.O. Just simply relying on the information without any corroboration, cannot entail making the addition, as made in the

instant case. Thus, considering the peculiar facts and circumstances of the case limited to this appeal under consideration and findings of the authorities below and the documents and its reference, as available on record and as demonstrated by Id. *Amicus Curiae* Ms. Alfiya Razia, Id.CA & Ms. Mrudul Bhusari, Ld. Advocate this Court is inclined to delete the addition in hand. As the addition, in any case, is unsustainable sans substantive or corroborative evidence. This Court really appreciate and endorse the sincere efforts and able assistance provided by Id. *Amicus Curiae* in coming to the right conclusion and for passing the order in its right perspective and proper manner and for substantial justice.

5. In the result, appeal of the Assessee is allowed.

Order pronounced in the open Court on 25.06.2025.

Sd/-
(Narender Kumar Choudhry)
Judicial Member

vr/-

Copy to

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

By Order

//True Copy //

Sr. Private Secretary,
ITAT, Nagpur Bench.