

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH****BEFORE SHRI INTURI RAMA RAO, AM
AND SONJOY SARMA, JM****ITA No.896/Coch/2024
Assessment Year:2017-18**

Laila Parassery Appellant
Thekkath House,
Kizhisseri, Kuzhimanna PO,
Malappuram-673641.
PAN: CWFPP9120H

vs.

Income Tax Officer Respondent
Ward-3,
Tirur.

Appellant by: Shri Padmanathan K V, Advocate
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 03.06.2025
Date of Pronouncement: 30.06.2025

ORDER**Per: Inturi Rama Rao, AM**

This appeal filed by the assessee is directed against the order of the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (in short "CIT(A)"), dated 30/08/2024 for Assessment Year (AY) 2017-18.

2. Briefly the facts of the case are that the appellant is an individual. The Return of Income for the AY 2017-18 was filed on 31/03/2018 declaring a total income of Rs. 2,17,800/-. Against the said return of income, the assessment was completed by the Income Tax Officer, Ward-3, Tirur (hereinafter referred to as "AO") vide order dated 27/12/2019 passed U/s. 143(3) of the Income Tax Act, 1961 (in short "the Act") at a total income of Rs. 58,29,800/-. While doing so, the AO made addition of cash deposits made in the bank account of Rs. 56,12,000/- as unexplained money of the assessee rejecting the contention of the appellant that the cash deposits were made out of the gifts received from the relatives and co-workers and the details of which are extracted at para 7 of the Assessment Order.

3. Being aggrieved by the above assessment order, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal for the failure of the assessee to offer any explanation with regard to the sources of the cash deposits and also failed to substantiate the explanation that loans were taken from various relatives and co-workers.

4. Being aggrieved, the appellant is in appeal before us in the present appeal.

5. The Learned Counsel for the assessee (in short "AR") submits that the lower authorities ought to have treated the salary income of Rs. 1,26,500/- as available for deposits and the maturity proceeds of Fixed Deposit to the extent of Rs. 3,15,000/- and the amount withdrawn from the Savings

Accounts maintained with Kerala Gramin Bank of Rs. 38,11,000/-. It is further submitted that the loan received from Sister and Mother of the assessee is out of the sale proceeds of the immovable property which should have been accepted.

6. On the other hand, the Ld. Sr. DR supporting the order of the CIT(A) submits that no interference is called for.

7. We heard the rival submissions and perused the material available on record. The only issue that arises for our consideration is whether the addition of Rs. 56,12,000/ being cash deposits made in the bank account towards unexplained money of the assessee can be sustained. Before the AO as well as the CIT(A), the appellant took a stand that the cash deposits were made out of the loans received from relatives and co-workers of the appellant and also loan proceeds etc. Before us, the appellant had filed the bank statement showing the withdrawals from the Savings Bank Account maintained by the assessee with Kerala Gramin Bank, Kizhissery. In our considered opinion, the lower authorities should have treated the withdrawals made from the Savings Bank account as available for subsequent deposits, in the absence of any evidence to show that the withdrawals are utilized for some other purpose. In these circumstances, we are of the considered opinion that the matter requires remand to the file of the AO with a direction to pass a fresh assessment order after affording a reasonable opportunity of being heard to the assessee. All the contentions raised by the assessee before us are kept open for the AO.

8. In the result, appeal filed by the assessee stands partly allowed.

Order pronounced in the open court on 30th June, 2025.

Sd/-
(SONJOY SARMA)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 30th June, 2025

okk sps

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar
ITAT, Cochin