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CHARTERED ACCOUNTANTS

Communiqué

Direct Tax

March 2024

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Facts

The petitioner's case is that its primary income is from the commission from the total amount waged on horse races organized by it, and also from the income shared with the bookmakers, gate collections and license fee from bookmakers. The petitioner, as a Turf Authority, conducts horse racing and horses are registered with it by the owners who are duly licensed by the Turf Authorities who maintains an open, mutual and current account for every licensed trainer, owner and jockey, and an owner can deposit sums to the corresponding account and the petitioner also disburses the prize money to the owner's corresponding account. The petitioner, either on standing instructions or case specific instructions, debits the balance in the owners' account transferring the requisite amounts to the account of the professional trainer, jockey or any other to whom the payment is to be made. The petitioner is categorical that there should be no tax implication for it on the transactions executed on behalf of the horse owners because it has no role in training and does not enter into any agreement with the trainers or horse owners (except for licensing them) and it only facilitates the transactions for the owner of the horses. The petitioner's ROI is selected for scrutiny followed by the Questionnaire. The petitioner has declared a total income of INR 3.33 crores and tax liability of INR 1.18 crores. The AO, after hearing the petitioner, has concluded the assessment that the petitioner, in violation of the provisions of Section 194BB, has disbursed INR 34.15 crores to the horse owners without deducting tax at source claiming such amount as expenditure in the P&L Account. The AO has disallowed the entire disbursed amount u/s 40(a)(ia). The CIT(A), dismissed the petitioner's appeal whereas the ITAT has allowed the petitioner's appeal. The ITAT considered the question whether the provisions of TDS are applicable to Stake Money being paid to the owners of the horses participating in the race and opined that that Stake Money paid by petitioner to the horse owners are not liable to TDS u/s 194B or 194BB, and therefore, the AO could not have disallowed. In the meanwhile, the second respondent has issued notice u/s 148 proposing to reassess the income.

Ruling

HC placed reliance on ITAT's ruling and held that the petitioner has disclosed the primary facts i.e., the receipt on behalf of the horse owners and the debits affected on their instructions disclosing that the financials are prepared from the primary accounts and without claiming any expenditure in the regard. As such, there cannot be any allegation of failure to truly and fully disclose material facts. The second respondent, while deciding on the petitioner's objections to the reasons offered to initiate re-assessment, has overlooked that the question of failure to deduct TDS for the amounts paid as Stake Money and the amounts deducted from the Stake Money on the instructions of the horse-owners to the credit of the horse trainers and jockeys was examined after scrutiny of the petitioner's book while considering disallowing these amounts u/s 40(a)(ia). In the light of the above, this Court must opine that there was no failure on the petitioner's part to disclose primary facts and the reasons for re-assessment are recorded arbitrarily without considering all the circumstances. Hence, the second question framed is answered in favour of the petitioner holding that the re-assessment that is initiated after four years on the ground that there is failure to disclose primary facts is barred in law.

Source: High Court, Karnataka in the case of Bangalore Turf Club Limited vs Union of India vide [TS-5150-HC-2024(Karnataka)-O] on March 25, 2024

Depreciation allowed when Revenue could not prove its incorrect claim to the contrary

Facts

Petitioner is a nationalized bank. For the AY 1996-97, the return was filed on 29.11.1996 declaring total income of INR 192.45 crores. The assessment was completed u/s 143(3). Subsequently, assessment was reopened and reassessment completed u/s 143(3) r.w.s. 147 wherein the total income was determined at INR 275.66 crores wherein Petitioner's claim of depreciation on assets leased to M/s. Bellary Steels and Alloys Ltd., amounting to INR 1.98 crores was disallowed on the reason that it was found that leased assets were non-existent. Aggrieved by Order of Assessment, Petitioner filed appeal before the CIT(A). who allowed the appeal and granted depreciation of INR 1.98 crores. The Revenue being aggrieved filed appeal before the ITAT who restored the matter to the AO and directed to give Petitioner, copies of all the records he has relied on and also afford an opportunity to cross-examine the persons whose statements he had used in making the above said disallowance of depreciation. Pursuant to the order of the ITAT, AO passed order and held that in spite of several notices issued to the MD of BSAL, he had not appeared, hence, the Petitioner could not be provided with an opportunity to cross-examine him. Further, the AO held that it is proved with fair amount of certainty in the original assessment order that these leased assets did not exist. Hence, the AO concluded that the aforesaid claim of depreciation is to be denied. Aggrieved by the Order of AO, Petitioner filed appeal before the CIT(A). The CIT(A) confirmed the view taken by the AO vide the impugned order, aggrieved by which, the Petitioner has filed the present appeal before the Tribunal.

Ruling

ITAT placing reliance on the facts of the case held that, Petitioner had discharged its onus to prove the genuineness of the transaction by furnishing necessary documents in support of the claim. On the contrary, AO had failed to furnish copies of the material obtained during the course of survey conducted in premises of BSAL. The AO has also failed to provide Petitioner an opportunity to cross-examine the MD of BSAL. The major reason for making the disallowance of claim of depreciation is the statement of the MD which is untested statement and has not been corroborated by any other evidence. Under such circumstances, when Petitioner has been able to corroborate its claim of leased equipment with incontrovertible evidence, ITAT directed the AO to grant depreciation allowance.

Source: ITAT, Bangalore in the case of M/s Canara Bank vs DCIT vide [TS-5407-ITAT-2024(Bangalore)-O] on March 08, 2024.

Transaction legally entered cannot be considered as Hawala merely on the basis of surmises and conjectures; though strong, suspicious would not partake the character of legal evidence

Facts

A search and seizure action u/s 132 was carried out in the case of Alchemist Group by the Investigation Wing. The business activities of the group are mainly located at Chandigarh, Delhi, Kolkata, Mumbai, Patna and Varanasi and the corporate office of the group is at Nehru Place, New Delhi. Alchemist group is involved in various business activities including food & agriculture, hospitality, hotels & resorts, restaurants, retail, infrastructure, aviation, healthcare, road technologies, real estate, steel, pharmaceuticals, tea production etc. The case of the Petitioner was centralized by the ld. PCIT. Consequent to the search action u/s 132, notice u/s 153C was issued to the Petitioner company. The Petitioner company filed its return of income for the AY 2013-14 declaring Nil income in response to notice u/s 153C. The ld. AO observed in the assessment order that several notices and questionnaires were issued to the Petitioner company and that no replies were filed by the Petitioner company. The Petitioner furnished Form 34BA intimating that it had preferred an application before the Hon'ble Income Tax Settlement Commission u/s 245D(1). However, the same was rejected by the ITSC for nonappearance and non-payment of tax. Thereafter, the assessment proceedings got resumed again. Further, an application was filed by the Petitioner requesting for cloned copy of seized data and requested for copy of FT & TR reference, in response to which a letter was written to the concerned ADIT (Inv.) and the Petitioner was directed to be present whereas none appeared. The ld. AO observed that the transaction of the Petitioner is nothing but a camouflage to roundtrip their own money via FDI route. Accordingly, the ld. AO concluded that the figure of 1.95 crores USD shown as "amounts sent" is undisclosed investment made by the Petitioner sent for the purpose of obtaining funds through FDI route to avoid tax incidence which have been introduced in its books. Such unexplained money introduced in its books through FDI route is liable for addition u/s 68 since the money has been sent to secure such funds through FDI route, the same has to be considered as unexplained investment. The ld. AO accordingly made an addition of INR 119.89 crores (1.95 crores USD * INR 61.48 per USD) u/s 69. The ld. CIT(A) upheld the action of the ld. AO.

Ruling

ITAT held that from the perusal of the records, there is no evidence to prove that the "amounts sent" shown in the hard disk is actually amounts sent by Petitioner company in hawala route which had ultimately found its way in the form of share capital and share premium under FDI route. The revenue had completely addressed this issue and made an addition purely on suspicion and surmise without any basis thereby making the addition totally unsustainable in the eyes of law. On the contrary, the Petitioner had stated that LGF had sent 1.95 crores USD from Cyprus and after deduction of LC charges and other overseas bank charges, the Petitioner could ultimately receive only 1.86 crores USD i.e. equivalent to INR 100 crores in India under FDI route as share capital and share premium. In support of this, the Petitioner had duly provided all the necessary documents as listed above and had always since inception had taken the stand that it had not sent any monies abroad in hawala route. It is for the revenue to prove the same with cogent evidences, which is not done in the instant case. ITAT find that the revenue had merely proceeded to make the addition on suspicion. It is trite law that suspicion howsoever strong would not partake the character of legal evidence and hence a greater onus is casted on the revenue to bring on record cogent evidences to justify its suspicion, which is conspicuously absent in the instant case. The only material that is relied upon by the revenue is the hard disk seized during search which only contained the details of "amounts sent" and "amounts received". Nowhere the said material even suggested that the amounts were sent by Petitioner company in illegal route which in turn had surfaced back in the form of share capital and premium under FDI route from Cyprus. Though the presumption u/s 292C would go in favour of the revenue, it cannot be brushed aside that the said presumption is a rebuttable presumption and Petitioner had duly discharged its onus on the same. Moreover, the present Petitioner proceeded u/s 153C and hence it is all the more necessary for the revenue to arrive at the satisfaction that income or materials or documents does not belong or pertain to the searched person and indeed belongs to third person. Viewed from this angle, it could be safely concluded that presumption u/s 292C would apply only to the person proceeded u/s 153A and not for the Petitioner.

Further this case was even subjected to examination by CBDT Foreign Tax Division wherein FT & TR reference was also made to Cyprus tax authorities who had submitted its report duly confirming the fact that LGF had raised monies through issue of shares and those monies had been utilized by them for making investment in shares of Petitioner Company under FDI route. No adverse comments were indeed given by FT &TR of CBDT with regard to these transactions. Hence the source of source is also duly established and proved by the Petitioner company herein. Hence the allegations leveled by the revenue that LGF has shown meager income in its financial statements are totally irrelevant considerations here and the entire action of the lower authorities herein would only result in the doubting the examination carried out by CBDT Foreign Tax Division. In view of the aforesaid observations, the entire addition u/s 69 has been made by the ld. AO and sustained by the ld. CIT(A) out of mere suspicion without any basis are directed to be deleted at once on merits.

Source: ITAT, Delhi in the case of Alchemist Touchnology vs ACIT vide [TS-5410-ITAT-2024(Delhi)-O] on March 11, 2024.

Assessment order cannot be treated as erroneous as a detailed enquiry has been conducted; interest validly claimed will be allowed

Facts

The Petitioner is a private limited company engaged in the property business. The return for AY 2018-19 furnished declaring total loss of INR 7.01 lacs. Case was selected for scrutiny followed by validly serving notice u/s 143(2) & 142(1). Various details were called for vide questionnaire to which a detailed reply has been filed along with relevant annexure. Assessment proceedings were completed assessing total income at INR 0.16 lacs. Thereafter, the ld. PCIT called for the assessment records and on observing that the AO has not examined the issue of interest expenditure claimed against interest from third party, issued SCN relating to advancing of borrowing funds to the third parties without utilizing the funds for Petitioner's own business. During the course of revisionary proceedings, it was stated by the Petitioner that secured loan was taken from SREI Infrastructure Finance Ltd. for the purpose of executing real estate and commercial business. Since the business was in the initial stage, the borrowed funds were advanced to M/s. M.L. Singhi, so as to avoid NPA account and generated interest income which gave effect to 95% of the interest repayment liability towards SREIIFL. It was also claimed by the Petitioner that the interest payments was @ 14.21% and the interest income from M.L. Singhi was @ 13.96% and in view of the commercial expediency, claim of expenditure was rightly allowed by ld. AO. However, the ld. PCIT after dealing with the issue elaborately came to the conclusion that since there was no business activity during the year and the borrowed funds were utilized to the third party without any commercial expediency, interest expenditure claimed at INR 1.05 crores should not have been allowed by the AO and held the order of the AO to be erroneous, so far as prejudicial to the interest of the revenue. Aggrieved the Petitioner has preferred an appeal before the Tribunal.

Ruling

ITAT find that the ld. AO has extensively examined this issue and has taken a plausible view after proper application of mind. It is not the case of no enquiry or incomplete enquiry. The ld. AO has carried out a detailed enquiry and after considering the fact that the Petitioner being into real estate project has borrowed funds from SREIIFL for the business purpose and for short term when the funds were idle as a prudent business man and for commercial expediency, the funds were utilized for giving loan to another concern. The ld. AO fairly dealt with this issue and on observing that interest expenditure has been claimed in the interest of business has allowed. Under these given facts and circumstances, ITAT firstly find that the assessment order is not erroneous as a detailed enquiry has been conducted and secondly not prejudicial to the interest of the revenue as the Petitioner has set off the interest expenditure against the interest income earned from applying the short-term loans and advances. The revisionary proceedings u/s 263 were therefore quashed and assessment order was restored allowing the grounds of appeal raised by the Petitioner.

Source: ITAT, Visakhapatnam Bench in Smt. Vardhanapu Manikumari vs ITO vide [2024] 160 taxmann.com 41 (Visakhapatnam - Trib.) on February 20, 2024

Claim of bad debts which is reckoned as irrecoverable in the books of accounts, then there is no requirement to prove that said debt become really bad debts.

Facts

The Petitioner is an individual who had claimed to have carrying on the business of money lending in film financing and film production. The AO during the course of assessment proceedings noticed that the Petitioner has claimed an amount of INR 18.15 lacs as bad debts but unable to produce any evidence, the ledger copies or any further documents. The AO also noted that the payment of camera man was also written off which has no relevance to the business of Petitioner. Hence, he disallowed the claim of Petitioner. Aggrieved, Petitioner preferred appeal before CIT(A). The Petitioner before CIT(A) claimed that the AO during the course of assessment proceedings called for information and Petitioner has filed a detailed note of justification for write off and the explanation for non-disallowance of bad debts along with ledger copies of respective parties where the bad debts written off. But the CIT(A) noted that the written off of bad debts in respect of individual persons who are cameraman, production manager, advocate, as a car loan or one Miss Sushila, whose business and professional activities are not known. Since according to CIT(A), none of the persons are into the film production or financing, and therefore, the disallowance was confirmed by CIT(A). Aggrieved, Petitioner is in appeal before the Tribunal.

Ruling

In order to claim deduction for any bad debts which is reckoned as irrecoverable in the accounts of the Petitioner for any previous year, then the Petitioner shall comply with conditions prescribed u/s 36(2), as per which, any debt or part of debt which has been taken into account in computing the income of the Petitioner of the previous year in which the amount of such debt money lent in the ordinary course of the business of banking or money lending which is carried on by the Petitioner. Further, the Petitioner should prove that such debt has been written off in the books of accounts of the Petitioner. In this case, the Petitioner claimed that he is in the business of money lending. Once the Petitioner is in the business of money lending then the question of offering income in the earlier previous years does not arise because any advances or loans given in the ordinary course of business which is bad or irrecoverable can be written off once such debts become irrecoverable. But the fact remains that although, the Petitioner claims to have in the business of money lending but no evidences have been filed to prove that he is carrying on business of money lending either by furnishing necessary license obtained from competent authority or generating income from such business. Further, the Petitioner claimed that he has charged interest on loans and offered to tax such interest as and when he receives interest, but on perusal of financial statements, no interest has been offered to tax from loans and advances. Therefore, ITAT is of the considered view that the fact whether the Petitioner is in money lending business or not and further unsecured loans given to various persons and are become bad debt is lent in the ordinary course of business or not is not forthcoming from the records needs to be verified. Further, once a particular debt becomes irrecoverable or bad debts then said debt becomes bad debts in full. In this case, the AO has accepted 50% of the debts as bad debts and remaining 50% has been treated as debts which is recoverable. Therefore, considering the fact that the Petitioner has not placed any evidences to prove that income pertains to debt or part thereof has been taken into account in computing the income of the Petitioner of the previous year in which the amount of such debt or part thereof is written off or of an earlier previous year, or represents money lent in the ordinary course of the business of banking or money-lending which is carried on by the Petitioner. On the other hand, the AO had also not examined the issue in light of provisions of Section 36(1)(vii) r.w.s. 36(2), because the AO has made adhoc disallowance of 50% debt. Hence, we are of the considered view that the issue needs to go back to the file of the AO to decide the issue afresh in accordance with provisions of Section 36(1)(vii) r.w.s 36(2). We further direct the AO while deciding the issue, he must take into account the ratio laid down by the Hon'ble Supreme Court in the case of T.R.F. Limited vs. CIT, where it has been clearly held that once debt has been written off in books of accounts as irrecoverable, then the Petitioner need not to prove that said debt become really bad debts. Accordingly, we set aside the issue to the file of the AO and direct him to reconsider in light of our observations given herein above.

Source: ITAT, Chennai in the case of Shri Manohar Prasad Akkineni vs ITO vide [TS-5441-ITAT-2024(Chennai)-O] on March 12, 2024.

Orders passed under section 271D and 271E for levying of penalty post limitation period is legally non-sustainable

Facts

The Petitioner was subjected to search u/s 132. Consequently, the Petitioner filed his return declaring loss of INR 66.46 lacs. The case of the Petitioner was selected for scrutiny and the assessment was concluded after making addition towards unexplained interest paid and cash expenses. Against the same, ld. AO initiated penalty proceedings u/s 271(1)(c). Subsequently, ld. AO, intimated to the appropriate authority that the Petitioner received a sum of INR 17 crores as loan on various dates from Shri Anbuchezhiyan and has paid loan of INR 5.94 crores as interest on various dates. The receipts of loan by way of cash were in violation of section 269SS which call for penalty u/s 271D. The reference made by Ld. AO was duly considered and accordingly, the Petitioner was given a SCN to furnish his reply as to why penalty u/s 271D should not be levied for violation of section 269SS. The Petitioner assailed the proposed penalty, inter-alia, on the ground that the initiation of penalty was barred by limitation. However, rejecting the submissions of the Petitioner, the appropriate authority levied 100% penalty u/s 271D and 271E.

The Petitioner carried the matter in appeal before the ld. CIT(A) against the penalty levied under both the sections. After considering the facts and circumstances as well as written submissions, the ld. CIT(A) has observed that no penalty u/s 271E and 271F could be levied in the absence of recording of satisfaction by the AO in the assessment order.

Ruling

In the present case, the AO made reference to the Addl. CIT informing him that the appellant has violated the provisions of 269SS and requesting him to consider initiation of penalty proceedings u/s 271D. As per the decision of Hon'ble Delhi High Court, the said date of 15-03-21 is required to be considered as the date of initiation of penalty proceedings. Consequently, the limitation of time for passing the penalty order u/s 271D expired on 30-09-21. However, the penalty SCN was issued by the Addl. CIT on 02-11-21 and the penalty order was passed on 30-05-22. It is therefore evident that the penalty order has not been passed within the statutory time limit which lapsed on 30-09-21. In view of this reason, it is held that the penalty order is time barred and the same is legally unsustainable. In view of the aforesaid discussion, the penalty of INR 17 crores levied u/s 271D is directed to be deleted. Under the above facts and circumstances and considering various judicial pronouncement, we hold that the ld. CIT(A) has correctly deleted the penalties under both the sections.

Source: ITAT, Chennai in the case of DCIT vs Shri Subramaniam Thanu vide [TS-5388-ITAT-2024(Chennai)-O] on March 13, 2024.

Cash deposited during demonetization from already disclosed and reliable sources cannot be treated as unexplained income; Invocation of Section 68 is incorrect.

Facts

The Petitioner is a cooperative society registered under Karnataka Co-operative Societies Act, 1959 and engaged in extending credit facilities to its members. It filed its Nil return of income after claiming deduction u/s 80P to the extent of INR 1.20 crores. The case was selected for scrutiny wherein the Petitioner furnished copies of byelaws for claim of deduction u/. 80P, details of the cash deposits during demonetization period along with other details. On perusal of the byelaws, it was noticed that there were three types of members i.e. regular members, the nominal and associate members who do not have equal rights in the society. The nominal/associate members cannot participate in the affairs of the society as compared to the regular members though they were provided with loan and other facilities thereby there is absence of mutuality and the concept of mutuality itself gets defeated. He also referred to the Karnataka Co-operative Societies Act, section 18 and noted that the Petitioner has violated the provisions of the said Act and relying on the judgment of Hon'ble Apex Court in M/s Citizen Coop Society vs. ACIT, the Petitioner is not eligible for deduction u/s 80P(2).

He further noted that during the course of demonetization period, the Petitioner deposited cash of INR 1.28 crores and INR 13.38 lacs in its two bank accounts. The AO held that the Petitioner cannot collect such notes and having collected, these cannot be used for transacting business since their carry no value. Hence the entry made in the said book is unexplained and therefore invoked section 68 and added enhanced the total income of the Petitioner to the tune of INR 1.41 crores and taxed under 115BBE. Aggrieved from the above order, the Petitioner filed the appeal before the CIT(A) who upheld the addition made u/s 68 regarding the cash deposited during the demonetization period. Aggrieved from the above order, the Petitioner filed appeal before the Tribunal.

Ruling

Firstly, ITAT restored this issue to the AO for fresh consideration and the Petitioner was directed to furnish the details of the income received from the regular members as well as nominal/associate members and the AO was directed to give benefit of deduction u/s 80P(2) from the income received from the regular members only and decide the issue as per law stating that the Petitioner is eligible to make claim of deduction u/s 80P from the income received from the regular members only. Accordingly, this ground was allowed for statistical purposes.

Secondly, during demonetization period the members of the society have deposited cash in pygmie, SB, loan accounts. etc. The Petitioner has produced a list of depositors and the amount deposited by members with denominations of currency. The Petitioner has accepted the deposits from its members during the demonetization period. ITAT observed that the Petitioner had satisfied the requirement of section 69A and had filed the details of list of depositors and loanees who made cash deposits and the AO did not give further opportunity to the Petitioner for addition u/s 68. The ld. Tribunal also held that if the AO had any doubts that the Petitioner has not satisfied the ingredients of section 68, he could have asked further details from the Petitioner, but the AO has not done the same, which clearly shows that the Petitioner has discharged its duty to satisfy the requirement of section 68. We further note that the SBNs have been deposited in the members accounts, accordingly, the Petitioner did not get any extra benefit as observed by the AO in his order which was treated as income us 69A. In view of this, section 68 is not applicable in the present case and the AO without discussing in detail has made addition u/s 68 which is not proper. Therefore, the addition is deleted.

Source: ITAT, Bangalore in the case of M/s. Kuvempu Co-operative Credit Society Ltd vs ITO vide [TS-5444-ITAT-2024(Bangalore)-O] on March 14, 2024.

No addition on cash deposits made on behalf of the employer and subsequent payments made to Road Transport Authorities

Facts

The Petitioner an individual is working as an employee of M/s V Soma Sundraram Auto Mobiles, dealers in motor cycle etc. The firm has collected cash from customers as a service to them towards life tax payable and the Petitioner deposited such collections in the bank and transferred the amounts online through e-seva Kendra to Road Transport Authorities of A.P. State Government. The Petitioner did not file return of income for the AY 2013-14. The Department was in possession of information that the Petitioner had made cash deposits of INR 2.06 crores and therefore, the case of the Petitioner was reopened by issuing notice u/s 148. Further, several notices u/s 142(1) were issued and served on the Petitioner. In reply, the Petitioner submitted that as instructed by the firm the cash collected was deposited in the HDFC account and most of all the debits entries in the said bank account have been related to the transfer of amounts online through e- seva Kendra to the Road Transport Authorities of A.P. State Government only. The Petitioner was asked to furnish any undertaking/affidavit or any sort of evidences which suggest that the cash deposits was done by him on behalf of the employer.

However, since the Petitioner failed to file any response, the AO proceeded with the assessment u/s 147 r.w.s. 148 on the basis of the facts and material available on record. The AO observed that the Petitioner declared total income of INR 1.23 lacs, however, since the same was not in commensurate with the total cash deposits of INR 2.06 crores made in his bank account, the AO held that the entire cash deposits made in the HDFC bank as deemed income of the Petitioner u/s 69A and accordingly assessed the income at INR 2.07 crores after making addition of INR 2.06 crores to the income. Aggrieved by the order of the AO, the Petitioner preferred an appeal before the CIT(A) who partly allowed the appeal of the Petitioner, directing the AO to verify the aggregate cash deposits made by the Petitioner in the HDFC bank and after verification, whatsoever amount is worked out, compute the income of the Petitioner @8% of the total cash deposits and restrict the addition to that amount accordingly, while giving effect to the order of the CIT(A) in the absence of any documentary evidences which suggest that the said cash deposits were belonged to the employer and the same were accounted for into its account. Aggrieved by the order of the CIT(A), the Petitioner preferred an appeal before the Tribunal.

Ruling

ITAT held that we have heard both the parties and perused the material available and from the same, it is apparent that the Petitioner had deposited the cash to the tune of INR 2.06 crores in his bank, which said to have been collected from the customers to whom the employer had sold vehicles, where the Petitioner is working as a clerk. ITAT stated that we find no infirmity in the order of the CIT(A) and accordingly we are inclined to remit the matter back to the file of the AO to verify the cash deposits as directed by the CIT(A) after giving an opportunity of being heard to the Petitioner and pass order accordingly. The Petitioner is also directed to adhere to the notices issued and cooperate with the revenue authorities during the proceedings. In the result, appeal of the Petitioner is allowed for statistical purpose.

Source: ITAT, Chennai in the case of Shri Manohar Prasad Akkineni vs ITO vide [TS-5441-ITAT-2024(Chennai)-O] on March 12, 2024.

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