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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 13163/2024 & CM APPL. 54983/2024 (interim relief)

RAMVEER .....Petitioner

Through: Mr. Kaushik & Mr. Gurdayal, Advocate.

versus

INCOME TAX OFFICER WARD 43(1)ANR .....Respondents

Through: Mr. Aseem Chawla, SSC with Ms. Pratishtha Chaudhary, Advocate.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MS. JUSTICE SWARANA KANTA SHARMA

ORDER

% **16.10.2024**

1. The petitioner has filed the present petition, *inter-alia,* impugning a show cause notice dated 06.02.2024, issued under Section 148A(b) of the Income Tax Act, 1961 (hereafter *the Act*), in respect of the assessment year (AY) 2017-18, informing the petitioner that there was information which suggests that the petitioner's income for the relevant AY had escaped assessment.

2. The annexure to the said notice indicates that the Assessing Officer (hereafter *AO*) had found three pieces of information – two related to making of fixed deposits for an amount of ₹34,50,000/- (Rupees Thirty Four Lakhs and Fifty Thousand Only) and ₹20,00,000/- (Rupees Twenty Lakhs Only) respectively. The third piece of information was regarding Tax Deducted at Source (TDS) by HDFC Bank, in respect of interest amounting

to ₹1,91,166/- (Rupees One Lakh Ninety One Thousand One Hundred and Sixty Six Only).

3. The petitioner responded to the said notice, *inter-alia*, explaining that the source of funds of the fixed deposits made were fixed deposits that were redeemed. The fixed deposits that were shown were on account of renewal of the FDR amount. The AO did not find the said explanation as fully addressing the information that the assessee's income had escaped assessment. The AO accordingly passed an order dated 29.03.2024 under Section 148A(d) of the Act, *inter-alia*, observing as under:

> "7. Reply furnished by the assessee has been considered u/s 148A(c) of the Act and found not tenable on the issue of FDRs of Rs.34,50,000/- & 20,00,000/- made out of the redemption of old FDRs. As per the flow statement submitted by the assessee, total FDR redemption in Indian Bank is Rs.23,40,958/- and FDR made of Rs.34,50,000/- and there is a difference of Rs.11,09,402/- between the FDR redemption and New FDRs. Further on perusal of the bank statement it is found that it is not clear that the credit entries are due to redemption of old FDRs. Hence the submission filed by the assessee is not acceptable."

4. The petitioner seeks to effectively impugn the aforesaid reasoning in this petition. The petitioner had furnished his bank accounts as well as provided a fund-flow statement to substantiate his claim that the fixed deposits made with Indian Bank (previously known as Allahabad Bank) were from funds received from proceeds of the fixed deposits that were made earlier.

5. However, a bare perusal of the bank accounts as well as the fund-flow statement provided by the petitioner indicates that there is no direct correlation between the fixed deposits made by the petitioner and the funds received from redemption of fixed deposits that were made earlier. The

contention that the fixed deposits were made by renewing the earlier fixed deposits is, concededly, incorrect. The bank accounts and the fund flow statement indicates that the petitioner also had other sources of receipts, including amounts that he claimed were lent earlier and were repaid by the borrowers.

6. In view of the above, we are unable to fault the AO's reasoning as articulated in the order passed under Section 148A(d) of the Act. It is also material to note that the petitioner had not filed any return of income for the relevant assessment year (AY 2017-18).

7. In the given facts of this case, we find no merit in the petitioner's challenge to the order dated 29.03.2024, passed under Section 148A(d) of the Act, or the consequent notice issued under Section 148 of the Act.

8. The petition is accordingly dismissed.

VIBHU BAKHRU, J

SWARANA KANTA SHARMA, J

OCTOBER 16, 2024/*at*

Click here to check corrigendum, if any