

**IN THE INCOME TAX APPELLATE TRIBUNAL  
Hyderabad ' B ' Bench, Hyderabad**

**Before Smt. P. Madhavi Devi, Judicial Member  
AND  
Shri S.Rifaur Rahman, Accountant Member**

**ITA No.317/Hyd/2018**  
(Assessment Year: 2015-16)

Shri Bhoopathi Raju Kurapati Hyderabad PAN: AEDPK3255Q (Appellant)	Vs	Asstt. Commissioner of Income Tax, Central Circle 2(3), Hyderabad (Respondent)
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For Assessee :	Shri K.A. Sai Prasad
For Revenue :	Shri Y.V.S.T. Sai, CIT(DR)

Date of Hearing:	25.07.2019
Date of Pronouncement:	31.07.2019

**ORDER**

**Per Smt. P. Madhavi Devi, J.M.**

This is assessee's appeal for the A.Y 2015-16 against the order of the CIT (A)-12, Hyderabad, dated 20.12.2017.

2. Brief facts of the case are that the assessee is an individual and a partner in Sri Sri Estates, Sri Sri Developers, Sri Sri Housing & Construction and Sri Sri Aero Group. A search and seizure operation u/s 132 of the Act was conducted in the group cases of Sri Sri Gruhanirman India Pvt Ltd & Group on 24.12.2014 wherein certain cash of Rs.11,83,800/- was found in the residential premises of the assessee. At the time of the search, the assessee could not explain the sources of the cash and even

during the course of the assessment proceedings, the assessee could not satisfactorily explain the source. Hence the AO brought the same to tax. Further, the AO also observed that as per the seized documents, the assessee has paid one Shri S. Krishna and Sri G. Suresh, an amount of Rs.4.00 lakhs in cash, towards purchase of land and since the assessee could not satisfactorily explain the source of cash payment, the sum of Rs.4.00 lakhs was also added to the returned income of the assessee. Certain other additions were also made by the AO against which the assessee preferred an appeal before the CIT (A).

3. The CIT (A) observed that as far as Rs.4.00 lakhs is concerned, it was paid by the assessee along with Shri Sama Narasimha Reddy and therefore, only a sum of Rs.2.00 lakhs is to be brought to tax in the hands of the assessee. As regards the source for cash of Rs.11,83,800/-, the assessee submitted that the assessee is assessed to Income Tax for several years and that he has been admitting substantial income to tax under the head "salary income and income from property". He submitted that during the year under consideration, the assessee had admitted gross rental receipts of Rs.8,88,750/- and also salary income in cash, which was sufficient to explain the source of cash Rs.11,83,800/- found at the time of search. The CIT (A) however, did not accept the same, because the assessee had not stated so either during the course of search nor during the assessment proceedings and had not substantiated with the same with supporting evidence. She also observed that the assessee has not maintained any cash book as on the date of search nor has furnished any such book during the course of appellate

proceedings. She therefore, confirmed the addition of Rs.11,83,800/-. Aggrieved, the assessee is in appeal before us by raising the following grounds of appeal:

*“1. The learned First Appellate Authority is not justified in sustaining the addition of Rs.11 ,83,800/- as unexplained cash found on the date of search ignoring the fact that the appellant had sufficient sources to explain the same.*

*2. The learned First Appellate Authority failed to appreciate the fact that the appellant being an individual is not having regular books of accounts and hence the claim of availability of cash cannot be rejected on the ground that cash book was not produced.*

*3. The learned First Appellate Authority failed to appreciate the fact that the appellant had substantial cash income to establish its cash availability found on the date of search.*

*4. The learned First Appellate Authority is not justified in sustaining the addition of Rs.2,00,000 being the appellants share of payment to G.Suresh ignoring the claim that the appellant is having substantial sources to explain the said investment.*

*5. The appellant craves leave to add amend or alter any of the grounds at the time of hearing of appeal”.*

4. The learned Counsel for the assessee, except for relying upon the statements made before the CIT (A), and also the copy of the return of income filed u/s 153A of the Act for the A.Y 2015-16 and the returns of income of Sri Sri Constructions for the A.Y 2014-15 and 2015-16, has not furnished any other evidence to substantiate his claim. He submitted that the salary is received by way of cash, but there is no confirmation from the Partnership Firm that the salary is paid in cash to the assessee. Further, we find that the assessee has not taken any such contention either before the search party or during the

assessment proceedings. Therefore, it is clearly an afterthought and we do not see any reason to interfere with the order of the CIT (A) on both the issues. The assessee's appeal is accordingly dismissed.

5. In the result, assessee's appeal is dismissed.

Order pronounced in the Open Court on 31<sup>st</sup> July, 2019.

**Sd/-**  
**(S.Rifaur Rahman)**  
**Accountant Member**

**Sd/-**  
**(P. Madhavi Devi)**  
**Judicial Member**

Hyderabad, dated 31<sup>st</sup> July, 2019.

**Vinodan/sps**

Copy to:

- 1 Shri Bhoopathi Raju Kurapati C/o Ch. Parthasarathy & Co. 1-1-298/2/B/3, 1<sup>st</sup> Floor, Sowbhagya Avenue St. No.1 Ashoknagar, Hyderabad 500020
- 2 Asstt. CIT Central Circle 2(3) Hyderabad
- 3 CIT (A)-12 Hyderabad
- 4 Pr. CIT – Central Hyderabad
- 5 The DR, ITAT Hyderabad
- 6 Guard File

*By Order*