

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCH "SMC", HYDERABAD
(Through Virtual Hearing)

BEFORE SHRI A. MOHAN ALANKAMONY,
ACCOUNTANT MEMBER

ITA No. 426/Hyd/2021		
A.Y. 2017-18		
Venkata Krishna Kishore Babu Boggarapu, Kurnool. PAN: AXDPB 7130 J	VS.	Income Tax Officer, Ward-1, Kurnool.
(Appellant)		(Respondent)
Assessee by:	None	
Revenue by:	Smt. Aditi Goyal, DR	
Date of hearing:	11/11/2021	
Date of pronouncement:	05/01/2022	

ORDER

This appeal is filed by the assessee against the order of the Ld. CIT(A), National Faceless Appeal Centre (NFAC), Delhi in DIN No. ITBA/NFAC/S/250/2021-22/1035074331(1), dated 2017-18 passed U/s. 143(3) r.w.s 250(6) of the Act for the A.Y. 2017-18.

2. The assessee has raised five grounds in his appeal however, the crux of the issue is that:

"The Ld. CIT(A) erred in upholding the order of the Ld. A.O. who had made addition of Rs. 3,38,082/- towards unexplained cash U/s. 69A of the Act."

3. Brief facts of the case are that the assessee is an individual filed his return of income for the relevant assessment year on 10/07/2017 declaring total income of Rs. 3,15,350/-. The case was taken up for scrutiny since he has deposited cash in the bank account during the demonetization period. During the scrutiny assessment proceedings, the Ld. A.O. observed that the assessee has deposited Rs. 4 lakhs in his Canara Bank account. On query, it was explained that the amount of Rs. 3,38,082/- was accumulated cash on hand as on 1/4/2016. The Ld. A.O. rejected the submissions of the assessee and made addition of Rs. 3,38,082/-. On appeal, the Ld. CIT(A) confirmed the addition by agreeing with his view.

4. None appeared on behalf of the assessee at the time of hearing the appeal to represent the case. However, on examining the orders of the Ld. A.O. and the Ld. CIT(A), I do not find any merit. It is evident from the return filed by the assessee that for the relevant assessment year he had declared an income of Rs. 3,15,350/-. Therefore, there is every possibility for the assessee to accumulate a meagre amount of Rs. 3,38,082/- over a period of time. In these circumstances, making addition of Rs. Rs. 3,38,082/- in the hands of the assessee invoking the provisions of section 69A is not appropriate. Therefore, I hereby direct the Ld. A.O. to delete the addition of Rs. 3,38,082/- which was further sustained by the Ld. CIT(A).

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

Pronounced in the open Court on the 05th January, 2022.

Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER

Hyderabad, Dated: 05th January, 2022.

OKK

Copy to:-

- 1) Appellant: Venkata Krishna Kishore Babu Boggarapu, C/o. Mohd. Afzal, Advocate, 402, Sherson's Residency, 11-5-465, Criminal Court Road, Red Hills, Hyderabad-04.
- 2) Respondent: Income Tax Officer, Ward-1, Kurnool.
- 3) The CIT(A), National Faceless Appeal Centre (NFAC), Delhi.
- 4) The DR, ITAT, Hyderabad
- 5) Guard File