

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“A” BENCH: BANGALORE**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER  
AND  
SMT. BEENA PILLAI, JUDICIAL MEMBER**

ITA No.221/Bang/2020
Assessment Year: 2014-15

Shri Ravi Anjaneyalu No.1288, Sai Krupa, 5 <sup>th</sup> Phase 6 <sup>th</sup> Main, 6 <sup>th</sup> Cross, 1 <sup>st</sup> Stage BEML Layout Rajarajeshwari Nagar Bangalore-560 098  <b>PAN NO : ADDPR1821N</b>	<b>Vs.</b>	ITO Ward-3(2)(3) Bangalore
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	:	Shri Mahesh Kumar L., A.R.
<b>Respondent by</b>	:	Shri Srinivas Rao Bandaru, D.R.

<b>Date of Hearing</b>	:	14.07.2022
<b>Date of Pronouncement</b>	:	14.07.2022

**O R D E R**

**PER CHANDRA POOJARI, ACCOUNTANT MEMBER:**

This appeal by assessee is directed against order of CIT(A) dated 11.11.2019. The assessee is in appeal before us with regard to the addition of Rs.42.70 lakhs as unexplained deposits in savings bank account and also in appeal before us with regard to addition of Rs.3,02,476/- with regard to difference between income declared by assessee and amount shown in form No.26AS. The facts of the issue are that the AO noticed that the assessee has made cash deposit with a capacity of Rs.86.20 lakhs to SB account with Corporation Bank, Rajeshwarinagar, Bangalore. The AO called for explanation from the

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assessee regarding source of deposit. Out of the above amount, assessee was not able to explain Rs.42.70 lakhs deposited to savings bank account. Same was considered as unexplained income of the assessee. Against this assessee is in appeal before us.

2. We have heard the rival submissions and perused the materials available on record. In this case, the impugned argument of assessee's counsel is that assessee has withdrawn the money from the assessee firm which is having the current account and assessee is in a position to explain the same if an opportunity has been given to the assessee.

3. The Ld. D.R. submitted that ample opportunity has been given to the assessee to prove the source of this deposit to SB account with Corporation Bank which the assessee failed to prove. Hence, the addition to be sustained. In our opinion, it is appropriate to remit the issue to the file of AO with direction to the assessee to prove the source of each deposit to impugned savings bank account with Corporation bank in his personal name with proper evidence. Accordingly, this issue is remitted to the AO for fresh consideration.

4. Next issue is with regard to sustaining addition of Rs.3,02,476/- due to difference between receipts disclosed in form No.26AS at Rs.1,61,99,737/- and disclosed turnover at Rs.1,53,97,256/- equals to Rs.3,02,476/-. The contention of the assessee's counsel is that AO has considered entire turnover of Rs.3,02,476/- as income of the assessee instead of taking the net profit at 8% on the undisclosed turnover of the assessee. In our opinion, the plea of the assessee is justified. Accordingly, in the interest of justice, we direct the AO to consider only net profit at 8% of this impugned turnover of Rs.3,02,476/- as this is a part of the

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total turnover of the assessee. Accordingly, this ground of assessee is allowed.

5. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 14<sup>th</sup> Jul, 2022

**Sd/-**  
**(Beena Pillai)**  
**Judicial Member**

**Sd/-**  
**(Chandra Poojari)**  
**Accountant Member**

Bangalore,  
Dated 14<sup>th</sup> Jul, 2022.  
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

**Asst. Registrar,**  
**ITAT, Bangalore.**