

आयकर अपीलिय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'B' Bench, Hyderabad

Before Shri R.K. Panda, Vice-President
AND
Shri K. Narasimha Chary, Judicial Member

Appeal in ITA No	Appellant	Respondent	A.Y
1998/Hyd/2017	Sri Avva Venkata Rama Rao, Vijayawada PAN:ABSPA6432H	Dy.CIT, Central Circle 2(4) Hyderabad	2013-14
1999/Hyd/2017	-do-	-do-	2014-15
14/Hyd/2018	Dy.CIT, Central Circle 2(4) Hyderabad	Nagavalli Planters (P) Ltd., Vijayawada PAN:AACCN5193Q	2012-13
15/Hyd/2018	-do-	-do-	2013-14
762/Hyd/2018	-do-	Agri Gold & Farm Products Ltd, Hyderabad PAN:AABCA8733E	2014-15
216/Hyd/2018	Dy.CIT, Central Circle 2(4) Hyderabad	Haritha Moana Agro Projects (P) Ltd, Hyderabad PAN:AABCH8633E	2012-13
217/Hyd/2018	-do-	-do-	2013-14
219/Hyd/2018	-do-	-do-	2013-14
Assessee by:		Shri M.V. Prasad, CA	
Revenue by:		Shri Jeevan Lal Lavidiya, CIT(DR)	
Date of hearing:		26/06/2023	
Date of pronouncement:		28/06/2023	

ORDER

Per R.K. Panda, Vice-President

ITA Nos.1998 & 1999/Hyd/2017 filed by the assessee are directed against the separate orders dated 21.08.2017 of the learned CIT (A)-12, Hyderabad relating to A.Y 2013-14 & 2014-15 respectively. ITA Nos. 14 & 15/Hyd/2018 filed by the Revenue are directed against the separate orders dated 9.10.2017 of the CIT (A)-12 Hyderabad relating to A.Y 2012-13 and 2013-14 respectively. ITA No.762/Hyd/2018 filed by the Revenue is

directed against the order dated 16.02.2018 of the learned CIT (A)-12, Hyderabad for the A.Y 2014-15. ITA Nos.216, 217 and 219/Hyd/2018 filed by the Revenue are directed against the separate orders dated 22.11.2017 of the learned CIT (A)-12, Hyderabad relating to A.Ys 2012-13 & 2013-14 respectively. It may be mentioned here that for A.Y 2013-14, the Revenue has filed two appeals against the order passed by the CIT (A) i.e. one u/s 144 r.w.s. 153C and the other one passed u/s 143(3) of the I.T. Act. For the sake of convenience, all these appeals were heard together and are being disposed of with this common order.

ITA 1998/Hyd/2017 – A.Y 2013-14 (Assessee)

ITA 1999/Hyd/2017 – A.Y 2014-15 (Assessee)

2. There is a delay of 22 days in filing of these two appeals by the assessee for which the assessee has filed a condonation petition along with an affidavit explaining the reasons for such delay. After considering the contents of the condonation petition filed along with affidavit and after hearing both the sides, the delay in filing of the above two appeals are condoned and both the appeals are admitted for adjudication.

3. Grounds raised by the assessee for the A.Y 2013-14 in ITA No.1998/Hyd/2017 are as under:

“1. The order of the learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.

2. The learned Commissioner of Income Tax (Appeals) is not justified in dismissing the appeal without giving another opportunity.

3. *The learned Commissioner of Income Tax (Appeals) ought to have adjudicate the appeal after examining the bank accounts and reconciliation statement produced at the time of hearing.*

4. *Any other ground that may be urged at the time of appeal hearing.”*

4. Facts of the case, in brief, are that the assessee is an individual and filed his return of income for the impugned A.Y on 23.01.2013 declaring total income at Rs.55,59,310/-. A search and seizure operation u/s 132 of the I.T. Act was conducted in the case of the assessee on 23.01.2015. In response to the notice u/s 153A, no return was filed. Even there was no proper response from the side of the assessee to the notice issued u/s 142(1). The Assessing Officer, therefore, proceeded to complete the assessment u/s 144 of the I.T. Act and determined the total income of the assessee at Rs.1,41,90,069/- by making the following additions to the original income returned:

a)	Interest paid on self-occupied house disallowed	Rs.2,30,108
b)	Deductions claimed under Chapter VIA disallowed	Rs.1,00,000
c)	Unexplained credits as discussed above	Rs.83,00,651
	Total	Rs.86,30,759

5. In appeal, the learned CIT (A) dismissed the appeal filed by the assessee.

6. Aggrieved with such order of the learned CIT (A), the assessee is in appeal before the Tribunal.

7. The learned Counsel for the assessee submitted that the major addition made by the Assessing Officer relates to unexplained credit amounting to Rs.83,00,651/- which is nothing, but the realization of the fixed deposits made earlier. He submitted that since the assessee was in prison at the relevant time, therefore, he could not produce the details. Referring to the order of the Tribunal in the case of other group concerns, he submitted that under identical circumstances, the Tribunal has restored the matter to the file of the Assessing Officer for fresh adjudication. He accordingly submitted that given an opportunity, the assessee is in a position to substantiate his case before the Assessing Officer since the Bank Account copies have already been obtained by the Assessing Officer u/s 133(6) of the I.T. Act, 1961.

8. The learned DR, on the other hand, strongly opposed the above submission of the learned Counsel for the assessee. He submitted that when the assessee is not in a position to substantiate his case by producing the requisite details, the Assessing Officer was fully justified in making the additions and the Id CIT (A) was equally justified in sustaining the additions. He accordingly submitted that the appeal filed by the assessee should be dismissed.

9. We have considered the rival arguments made by both sides and perused the record. We find due to non-filing of the return in response to notice u/s 153A and in absence of filing of the requisite details in response to notice u/s 142(1), the Assessing Officer completed the assessment u/s 144 of the I.T. Act by making the addition of Rs.86,30,759/- to the originally returned income of Rs.55,59,310/- which has been sustained by the

learned CIT (A). It is the submission of the learned Counsel for the assessee that the major addition of Rs. 83,00,651/- as unexplained credit is nothing but the maturity proceeds of the fixed deposits made in earlier A.Y. It is also his submission that given an opportunity, the assessee is in a position to substantiate with evidence to the satisfaction of the Assessing Officer regarding the claim of interest paid on self-occupied house property, deduction claimed under Chapter VIA and the maturity proceeds of the fixed deposits credited in the Bank Accounts. Considering the totality of the facts of the case and in the interest of justice, we deem it proper to restore the issue to the file of the Assessing Officer with a direction to grant one last opportunity to the assessee to substantiate his case and decide the issue as per fact and law. We hold and direct accordingly. The grounds raised by the assessee are accordingly allowed for statistical purposes.

ITA No.1999/Hyd/2017 – A.Y 2014-15 (Assessee)

10. The grounds raised by the assessee read as under:

“1. The order of the learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.

2. The learned Commissioner of Income Tax (Appeals) is not justified in dismissing the appeal without giving another opportunity.

3. The learned Commissioner of Income Tax (Appeals) ought to have adjudicate the appeal after examining the bank accounts and reconciliation statement produced at the time of hearing.

4. Any other ground that may be urged at the time of appeal hearing.”

11. After hearing both the sides, we find the above grounds are identical to the grounds raised in ITA No.1998/Hyd/2017. We

have already decided the issue and the grounds raised by the assessee have been allowed for statistical purposes. Following similar reasonings, the grounds raised by the assessee in the above appeal are also allowed for statistical purposes.

ITA 14/Hyd/2017 – A.Y 2012-13 (Revenue)

12. Grounds raised by the Revenue are as under:

“1. Whether on the facts and circumstances of the case, and in law, the ld.CIT(A) failed in treating the interest income as business income without appreciating the fact that it has not been brought on record by the assessee that the surplus funds were put in FDRs on account of commercial expediency. Since the funds were not required at the relevant point of time in construction activities, the same were parked with bank to earn interest. Therefore, the interest earned on surplus funds parked with bank is not inextricably linked with the business activity of the assessee. Therefore, the interest earned by assessee cannot be treated as business income and same has been rightly treated as income from other sources by the AO.

2. The appellant craves leave to amend or alter any ground or add any other grounds which may be necessarily.”

13. Facts of the case, in brief, are that the assessee is a company engaged in the business of real estate i.e. purchase of land and developing & selling the same. It filed its return of income for the impugned A.Y admitting loss at Rs.34,01,777/- under the regular provisions and Rs.2,16,93,917/- u/s 115JB of the Act. The return was processed u/s 143(1) and subsequently the case was selected for scrutiny and statutory notice u/s 143(2) was issued and duly served on the assessee to which the AR of the assessee appeared before the Assessing Officer from time to time and filed the requisite details.

13.1 The Assessing Officer completed the assessment u/s 143(3) on 30.03.2015 determining the total income of the assessee at Rs.4,58,43,092/- wherein he determined the business income of the assessee at Rs.1,41,56,092/- by estimating the profit at 5% of

the gross business receipt of Rs.28,31,21,833/-. Similarly, he made addition of Rs.3,16,86,937/- being the interest income as “income from other sources” by separating it from the gross business receipts.

14. In appeal, the learned CIT (A) upheld the estimation of business income at 5% of the gross receipts. He however, directed the Assessing Officer to treat the interest income as income from business and accordingly estimate the same at par with income from business by following the decision of the CIT (A) Vijayawada in the case of Agri gold Constructions (P) Ltd for the A.Y 2011-12.

15. Aggrieved with such order of the learned CIT (A), the Revenue is in appeal before the Tribunal.

16. After hearing both the sides, we find the learned CIT (A) following the decision of the CIT (A) Vijayawada in the case of Agri Gold Constructions (P) Ltd for the A.Y 2011-12 directed the Assessing Officer to treat the interest income as income from business and accordingly estimate the income on par with the income from business. However, we find the Tribunal in the case of DCIT, Central Circle vs. Agri Gold Constructions (P) Ltd vide ITA No.18/Hyd/2018 dated 29.11.2022 for the A.Y 2011-12 has set aside the issue to the file of the Assessing Officer for fresh adjudication with certain directions by observing as under:

“9. We have heard the rival arguments made by both the sides, perused the orders of the AO and the learned CIT (A) and the paper book filed on behalf of the assessee. We find the AO in in the instant case passed the order u/s 144/ 153A determining the total income of the assessee at Rs.27,42,14,101/- as against the original returned income of Rs.1,24,40,453/- by making various additions, such as estimating income from business @15% of the gross receipts, income from insurance commission at Rs.10,32,041/-, addition u/s 68 of Rs.2,45,00,000/- and interest

income of Rs.,4,93,03,513/-. We find the learned CIT (A) while sustaining the addition of Rs.2,45,00,000/- directed the Assessing Officer to adopt profit rate @ 5% of gross receipts in line with the order of the Assessing Officer in the original assessment proceedings passed u/s 143(3) on 22.02.2011 wherein the Assessing Officer had adopted the profit rate of 5% for estimation of income of the assessee company. Similarly, he directed the Assessing Officer to consider the interest income as part of business receipts and estimate the profit @ 5%. So far as the insurance commission is concerned, he noted that the Assessing Officer in the original assessment had estimated such insurance commission at 50% of the total receipts, therefore, he directed the Assessing Officer to restrict the addition at 50% of such receipt and accordingly allowed the claim of the assessee. It is the submission of the learned Counsel for the assessee that during the proceedings u/s 153A, the assessee could not produce the books of account and furnish other details as called for by the Assessing Officer since the Directors were under custody and there was nobody available to produce the record/details before the Assessing Officer. It is his submission that given an opportunity, the assessee is in a position to substantiate its case before the Assessing Officer since the share capital that has been added by the Assessing Officer and upheld by the learned CIT (A) u/s 68 is nothing but receipt from the group concerns and therefore addition u/s 68 could not have been made. It is his submission that since the Directors are now free and the books of account are available with the assessee therefore, given an opportunity, the assessee is in a position to substantiate his case. Considering the totality of the facts of the case and in the interest of justice, we deem it proper to restore the issue to the file of the Assessing Officer with a direction to adjudicate the issue afresh after giving due opportunity of being heard to the assessee and decide the issue as per fact and law. We hold and direct accordingly. The grounds raised by the assessee and the Revenue are accordingly allowed for statistical purposes.

10. Since identical issues have been raised by the assessee and Revenue in other appeals therefore, following our reasoning given above, we deem it proper to restore the issues to the file of the Assessing Officer for fresh adjudication for all these years. Needless to say, the Assessing Officer shall give due opportunity of being heard to the assessee and decide the issue as per fact and law. We hold and direct accordingly. The grounds raised by the respective appellants are accordingly allowed for statistical purposes.”

17. Since the learned CIT (A) while directing the Assessing Officer to consider the interest income as business income and accordingly estimate the income on par with income from business has followed the decision of the CIT (A) Vijayawada in

the case of Agri Gold Constructions (P) Ltd for the A.Y 2011-12 which has been set aside by the Tribunal for fresh adjudication, therefore, following the decision of the Coordinate Bench of the Tribunal cited (Supra), we deem it proper to restore the issue to the file of the Assessing Officer with a direction to adjudicate the issue afresh in the light of the direction of the Tribunal. The ground raised by the Revenue is accordingly allowed for statistical purposes.

ITA No.15/Hyd/2018 -A.Y 2013-14 (Revenue)

18. Grounds raised by the Revenue read as under:

“1. Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in directing to assess the business income @5% of the gross receipt as against 15% adopted in the assessment order; ignoring the reasons specified in the assessment order for estimating the income @15% of the gross receipt.

2. Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in directing to assess the business income @5% of the gross receipt as against 15% adopted in the assessment order; ignoring the fact that the estimate is based on the findings emanating from search conducted u/s 132?

3. Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in directing to assess the business income @5% instead of @15% adopted by the AO without appreciating that the assessee failed to produce books of account and it is an admitted fact that the assessee has not furnished any documentary evidence in support of the claim of expenditure under different head?

4. Whether on the facts and circumstances of the case, and in law, the Id. CITA) failed to appreciate the Apex Court's decision in Commissioner of Income Tax vs. M/s. Mcmillan and Co., AIR 1958 SO 207, wherein the Hon'ble Supreme Court has laid down that if true income or profit cannot be ascertained on the basis of the assessee's methods of preparing accounts, then income must be computed upon such basis and in such a manner as the AO may determine.

5. Whether on the facts and circumstances of the case, and in law, the Id. CITA) failed in treating the interest income as business income without appreciating the fact that it has not been brought on record by the assessee that the surplus funds were put in FDRs on account of commercial expediency.

Since the funds were not required at the relevant point of time in construction activities, the same were parked with bank to earn interest. Therefore, the interest earned on surplus funds parked with bank is not inextricably linked with the business activity of the assessee. Therefore, the interest earned by assessee cannot be treated as business income and same has been rightly treated as income from other sources by the AO.

6. The appellant craves leave to amend or alter any ground or add any other grounds which may be necessary”.

19. After hearing both the sides, we find the above grounds are identical to the grounds raised in ITA No.14/Hyd/2018 for A.Y 2012-13. We have already decided the issue and the ground raised by the Revenue has been allowed for statistical purposes. Following similar reasonings, the grounds raised by the Revenue in the above appeal are also allowed for statistical purposes.

ITA No.762/Hyd/2018 – A.Y 2014-15 (Revenue)

20. Grounds raised by the Revenue are as under:

“1) Whether on the facts and circumstances of the case, and in law, the Id CITA is justified in holding that the rejection of books of account by the AO is not proper, when the Id CIT(A) herself categorically stated that "in the instance case the books of accounts were neither produced during scrutiny proceedings nor during appellate proceedings".

2) Whether on the facts and circumstances of the case, and in law, the Id CIT(A) is justified in holding that the rejection of books of account by the AO is not proper, when the Id CIT(A) herself categorically stated that many of bills/vouchers are self-made and non-verifiable and therefore it cannot be denied that huge unverifiable expenses are being claimed by the assessee.

3) Whether on the facts and circumstances of the case, and in law, the Id CIT(A) is justified in restricting the addition to lump sum amount of Rs. 50,00,000/- as against Rs.48,06,64,892/- made by the AO without giving any opportunity to the AO or without calling for any remand report.

4) Whether on the facts and circumstances of the case, and in law, the decision of the Id. CIT(A) is stereo typed, non-speaking, unreasoned and arbitrary in as much as that there is no justification for restricting the addition to Rs.50. 00 lakhs as against Rs.48,06,64,892/- made by the AO and not giving any cogent reasons for doing so.

5) Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in following the pattern in earlier year without appreciating that the facts

during the AY under consideration are much different than in earlier years and whether erred in not appreciating that that there cannot be wide application of the rule of consistency and there is no such thing as res-judicata in income-tax matter?"

6) The grounds appellant which craves may leave to amend or alter any ground or add any other be necessary".

21. Facts of the case, in brief, are that the assessee company originally filed its return of income on 28.11.2014 declaring nil income. The case was selected for scrutiny under CASS and statutory notice u/s 143(2) was issued and served on the assessee. However, there was no response from the side of the assessee for which the Assessing Officer completed the assessment u/s 144 r.w.s. 153C of the Act determining the total income of the assessee at Rs.48,06,64,890/- by estimating the business income @ 15% of the turnover of Rs.320,44,32,614/-.

22. In appeal, the learned CIT (A) restricted the addition to Rs.50.00 lakhs by observing as under:

"6.4 I have carefully considered the submissions of the appellant, order of the Assessing Officer, and the written submissions of the AR. The appellant is engaged in the business of manufacturing FMCG products like instant food mides, pickles, single spice powders and etc., and the Assessing Officer has made the impugned addition, by estimating the net profit of the appellant @15% of turnover. The Assessing Officer has made the said addition Considering the externalities such as business activities of the assessee and observed that in the absence of necessary details for completion of assessment, the veracity of the expenditure claimed under the head income from business, was in doubt. No books of account and bill/vouchers etc., were produced for verification during assessment proceedings. The assessee did not submit any information/ documentary evidences in support of the expenses claimed. The contention of the appellant's AR is that the Assessing Officer is not correct in rejecting the books of accounts, without pointing out any specific defect therein, and that most of the expenses debited to Profit & Loss account are duly supported by supporting documents. It is seen that the Assessing Officer has gone on to estimate the net profit of the appellant @15%, without citing any comparable instances, and also, the books of accounts have been rejected, without pinpointing any specific defects. The rejection of the books of accounts, therefore, is not proper. The assessee has also contended, in the Grounds of Appeal, that the Assessing Officer ought to have followed the assessments done u/s.143(3) in the assessee's own case tor earlier assessment years, It is seen that in the case of appellant in earlier years i.e., A.Ys:2012-13 & 2013-14.

«large other expenses were claimed in P&&LA/c" and this was in fact one of the reasons for the selection of case in CASS for A.Y:2013-14. The Assessing Officer had disallowed 10% of such expenditure at Rs.21,69,594/-, observing 6.4 that the expenses booked are huge and unverifiable. Similarly, in A.Y:2012-13 lumpsum addition was made by disallowing expenditure to an extent of Rs.25,00,000/-, since the bills/vouchers furnished towards Sales Promotion expenses, General expenses, Office maintenance, Vehicle maintenance, Travelling expenses, were found to be self-made and were not maintained properly. In the instant case, the books of accounts were neither produced Therefore, during scrutiny proceedings nor during appellate proceedings. following the pattern of the earlier years, it can be concluded that although many of the bills/vouchers are self-made books of accounts are maintained, and non-verifiable, and therefore, it cannot be denied that huge unverifiable expenses are being claimed by the assessee. Viewing the facts and circumstances of the case in entirety, and also looking to the nature of the business and quantum of the turnover, therefore, it would serve the ends of justice if a lumpsum disallowance of Rs.50,00,000/- is made, on account of improper maintenance of bills and vouchers etc. The Assessing Officer is therefore directed to restrict the addition made to Rs.50,00,000/-. The grounds related to this issue are PARTLY ALLOWED.»

23. Aggrieved with such order of the learned CIT (A), the Revenue is in appeal before the Tribunal.

24. We have heard the rival arguments made by both sides and perused the record. We find the Assessing Officer in absence of any details furnished by the assessee before him estimated the business income @15% of the turnover of Rs. 320,44,32,614/-. We find the learned CIT (A) without calling for a remand report from the Assessing Officer and without giving any opportunity to the Assessing Officer restricted the disallowance to Rs.50.00 lakhs and deleted the remaining addition merely based on the arguments advanced by the assessee and the written submission filed before him. In our opinion, when the assessment was completed u/s 144 of the I.T. Act, the learned CIT (A) should have given an opportunity to the Assessing Officer either by calling for a remand report or by giving an opportunity to appear before her. However, the same has not been done. Considering the totality of the facts of the case and considering the fact and circumstances

of other group concerns, where the matter has been restored to the file of the Assessing Officer for fresh adjudication, we deem it proper to restore the issue to the file of the Assessing Officer with a direction to grant an opportunity to the assessee to substantiate its case by filing the requisite details and decide the issue as per fact and law. The assessee is also hereby directed to appear before the Assessing Officer on the appointed date and file the requisite details without seeking any adjournment failing which the Assessing Officer is at liberty to pass appropriate order as per law. We hold and direct accordingly. The grounds raised by the Revenue are accordingly allowed for statistical purposes.

ITA 216/Hyd/2018 – A.Y 2012-13 (Revenue)

25. Grounds raised by the Revenue are as under:

“1. Whether on the facts and CIT(A) circumstances of the case, and in law, the Id. erred in directing to assess the business income @5% of the gross receipt as against 15% adopted in the assessment order, ignoring the reasons specified in the assessment order for estimating the income @15% of the gross receipt.

2. Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in directing to assess the business income @5% of the gross receipt as against 15% adopted in the assessment order, ignoring the fact that the estimate is based on the findings emanating from search conducted u/s 132?

3. Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in directing to assess the business income @5% instead of @15% adopted by the AO without appreciating that the assessee failed to produce books of account and it is an admitted fact that the assessee has not furnished any documentary evidence in support of the claim of expenditure under different heads?

4. Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) failed to appreciate the Apex Court's decision in Commissioner of Income Tax versus M/s. Mcmillan and Co., AIR 1958 SC 207, wherein the Hon'ble Supreme Court has laid down that if true income or profit cannot be ascertained on the basis of the assessee's methods of preparing accounts, then income must be Computed upon such basis and in such a manner as the AO may determine.

5. *Without prejudice to the Grounds of Appeal as mentioned in Sr. No. 1 to 4 above, whether on the facts and circumstances of the case, and in law, the Id. CIT(A) erred in estimating the profit @ 5% of gross receipt without appreciating that in the appellate order dated 27.06.20 14 for AY 2011-12 on which the present Id. CIT(A) relied upon, the then CIT(A) in Para-5 of the appellate order has directed the AO to adopt estimation @ 8% of gross receipts of construction work and adopt estimation@ 5% of gross receipt on sale of plots?*

6. *Whether on the facts and circumstances of the case, and in law, the Id. CIT(A) failed in treating the interest income as business income without appreciating the fact that it has not been brought on record by the assessee that the surplus funds were put in FDRs on account of expediency. Since commercial the funds were not required at the relevant point of time in construction activities, the same were parked with bank to earn interest. Therefore, the interest earned on surplus funds parked with bank is not inextricably linked with the business activity of the assessee. Therefore, the interest earned by assessee cannot be treated as business income and same has been rightly treated as income from other sources by the AO.*

7. *The appellant craves leave to amend or alter any ground or add any other grounds which may be necessary”.*

26. Facts of the case, in brief, are that the assessee company is engaged in the business of real estate i.e. purchase of land and developing and selling the same. It filed its return of income for the impugned A.Y on 27.12.2012 declaring total income of Rs.56,05,050/- under the normal provisions and Rs.2,72,71,140/- under 115JB (MAT) provisions. The case was selected for scrutiny and statutory notices u/s 143(3) and 142(1) were issued and served on the assessee to which the AR of the assessee appeared before the Assessing Officer from time to time and furnished the requisite details. The Assessing Officer completed the assessment u/s 143(3) on 12.3.2015 determining the total income of the assessee at Rs.5,92,73,230 by determining the business income at Rs.67,70,833/- by estimating the profit @ 5% of the gross business receipt of Rs.13,54,16,666/-. Further, he made addition of Rs.5,25,02,399/- being the interest income received by the assessee treating the same as income from other sources.

27. In appeal, the learned CIT (A) following the decision of the CIT (A) Vijayawada in the case of Agri Gold Constructions (P) Ltd for the A.Y 2011-12 directed the Assessing Officer to treat the interest income as income from business and accordingly estimate the same on par with the income from business.

28. Aggrieved with such order of the learned CIT (A), the Revenue is in appeal before the Tribunal.

29. After hearing both the sides, we find the above grounds raised by the Revenue are identical to the grounds of appeal raised by the Revenue in ITA Nos.14 & 15/Hyd/2018 for the A.Ys 2012-13 & 2013-14 in the case of Nagavalli Planters (P) Ltd. We have already decided the issue in the preceding paragraphs and the grounds raised by the Revenue have already been allowed for statistical purposes. Following similar reasonings, the grounds raised by the Revenue in ITA No.216/Hyd/2018 for the A.Y 2012-13 are allowed for statistical purposes.

ITA Nos.217/Hyd/2018 u/s 143(3) and ITA No.219/Hyd/2018 u/s 144 r.w.s. 153C (A.Y 2013-14) s

30. After hearing both sides, we find the grounds raised by the Revenue in the instant appeals are identical to the grounds raised by the Revenue in ITA No.216/Hyd/2018. We have already decided the issue and the grounds raised by the Revenue have been allowed for statistical purposes. Following similar reasonings, the grounds raised by the Revenue are allowed for statistical purposes.

31. In the result, all the appeals filed by the assessee as well as the Revenue are allowed for statistical purposes.

Order pronounced in the Open Court on 28th June, 2023.

Sd/-

Sd/-

(K. NARASIMHA CHARY) JUDICIAL MEMBER	(R.K. PANDA) VICE-PRESIDENT
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Hyderabad, dated 28th June, 2023

Vinodan/sps

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5	Pr. CIT - Central, Hyderabad
6	DR, ITAT Hyderabad Benches
7	Guard File

By Order