

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में
**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "B", HYDERABAD**

BEFORE

**SHRI R.K. PANDA, VICE PRESIDENT
AND
SHRI LALIET KUMAR, JUDICIAL MEMBER**

आ.अपी.सं / **ITA No.267/Hyd/2020**
(निर्धारण वर्ष / Assessment Year: 2013-14)

Shiva Ranjani Vejja, C/o. Mohd Afzal, Advocate, #402, Sherson's Residency, 11-5-465, Criminal Court Road, Red Hills, Hyderabad – 04. PAN : AFEPK5164L	Vs.	The Income Tax Officer, Ward – 12(2), Hyderabad.
अपीलार्थी / Assessee		प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri Mohd. Afzal, Advocate
राजस्व द्वारा/Revenue by: Ms. Sheetal Sarin, Sr. AR.

सुनवाई की तारीख/Date of hearing: 09.01.2024
घोषणा की तारीख/Pronouncement on: 19.01.2024

ORDER

PER LALIET KUMAR, J.M.

The captioned appeal is filed by the assessee feeling aggrieved by the order of Commissioner of Income Tax (Appeals) – 4, Hyderabad invoking proceedings under section 144 r.w.s 147 of the Income Tax Act, 1961 (in short, “the Act”) for the A.Y 2013-14.

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

“1. The order of the learned Commissioner of Income Tax (Appeals) is against the law, 1 weight of evidence and probabilities of case.

2. The learned Commissioner of Income Tax (Appeals) erred in confirming an addition 2 for Rs.1,22,19,500/- made u/s 69A of the IT Act.

3. The learned Commissioner of Income Tax (Appeals) ought to have appreciated that the assessee is having no income from salary, therefore, the ITO Ward- 12(2) has 3 no jurisdiction over the assessee, therefore, erred in confirming the order u/s 144 r.w.s 147, wherein, an addition of Rs.1,22,19,500/- is made u/s 69A of the IT Act.

4. The learned Commissioner of Income Tax (Appeals) ought to have appreciated that the assessee filed return of income before 4 ITO Ward-10(4), Hyderabad being a business ward, whereas the notice issued u/s 148 and assessment made u/s 144 r.w.s 147 by the AO of salary Ward, who has no jurisdiction over the assessee, therefore, the CIT ought to have held that the order is null and void.

5. The learned Commissioner of Income Tax (Appeals) erred in considering the notice u/s 148 dt: 20.12.2017, as an invalid notice, therefore, further, erred in 5 confirming the order u/s 144 r.w.s 147, which is consequent to notice u/s 148 dt: 21.06.2016, which .becomes infructuous once a fresh notice is issued on 21.12.2017.

6. The learned Commissioner of Income Tax (Appeals) ought to have estimated a reasonable profit on the business receipts of Rs.1,22,19,500/- instead of confirming the entire receipts as income.”

2.1. Thereafter, the assessee had raised the following additional grounds of appeal.

“1. The learned ITO Ward 12(2), Hyderabad is not the Assessing Officer of the assessee, as provided u/s 2(7A) of the IT Act. Therefore, notice issued is an invalid notice. As per the provisions of section 147 and 148 of the IT Act, only the Assessing Officer is empowered to initiate to proceedings u/s 147 and issue notice u/s 148 of the IT Act. Therefore, notice issued u/s 148 and assessment made by the ITO Ward-12(2) are without jurisdiction and therefore, invalid and to be held, as null and void.

2. Without prejudice to the grounds of appeal raised so far, the learned Commissioner (Appeals) ought to have appreciated that information regarding cash deposits in Saving Bank accounts is not a prima facie belief/reason that the cash deposited is income of the assessee without having any tangible material in possession of the AO. Therefore, the notice u/s 148 and the subsequent order u/s 147 r.w.s 144 are to be held as null and void.

3. *In the PAN data the assessee's email ID is available therefore, the learned Assessing officer ought to have served the notice u/s 148 by email instead of serving by affixture at the vacated premises of the assessee, therefore, notice u/s 148 is not served and the order u/s 144 made by not serving the notice is an invalid order.*

4. *Even the service by affixture is not as per the manner, as provide under the code of civil procedure 1908 for the purpose of service of summons, therefore, notice u/s 148 is not served and the order u/s 144 made by not serving the notice is an invalid order."*

3. The brief facts of the case are that as per the information available, it is noticed that the assessee has deposited cash to the tune of Rs.1,22,19,500/- in her three saving accounts viz. (1) Rs.63,54,500/- in HDFC Bank, East Marredpally Branch, Secunderabad (A/c. No.12931930003091), (ii) Rs.41,01,000/- in HDFC Bank, East Marredpally Branch, Secunderabad (Nc.No.12938630000103) and (iii) Rs.17,64,000/- in SBI, St.John's Road Branch, Secunderabad (A/c.No.31105164631) during the FY 2012-13 relevant to the AY 2013-14 and the assessee had not filed her return of income for the AY 2013-14. The AO noted that the assessee had not filed her return of income for AY 2013-14 and therefore prima-facie, there was reason to believe that income had escaped assessment attracting provisions of section 147 of the Income Tax Act, 1961.

3.1. Accordingly, a notice u/s 148 of the Act was issued on 21.06.2016. In response to the notice, the assessee filed her return of income for AY 2013-14 on 27.08.2016 declaring total income at Rs.5,39,110/-. Subsequently, notices u/s 143(2) & 142(1) of the Act were issued to the assessee. Since there was no response to the above said notices, the AO completed the assessment by making an addition of Rs.1,22,19,500/- towards unexplained money u/s 69A of the Act and passed assessment order on 21.12.2017 u/s 144 r.w.s. 147 of the Act.

4. Feeling aggrieved with the order of Assessing Officer, assessee filed an appeal before the ld.CIT(A), who dismissed the appeal of assessee.

5. Aggrieved with the order of ld.CIT(A), assessee is now in appeal before us on the grounds mentioned hereinabove.

6. Before us, ld. AR has submitted that the Assessing Officer had added the entire money deposited in the bank as the income of the assessee. It was the contention of the assessee that the assessee was doing consultancy business and other jobs for which the assessee has earned the amount and thereafter, the sum was deposited in the bank account. However, the ld.CIT(A) has not considered the request of the assessee for estimating the income u/s 44AD of the Act on the pretext that assessee has not given any evidence of doing the consultancy business. The ld. AR further submitted that the income of the assessee should be estimated at 6%. Further, the ld. AR has relied upon the decision of hon'ble Gauhati High Court in the case of Nagini Mara Veneer & Saw Mills Pvt Limited reported in 219 ITR 527.

6.1. In support of his case, ld. AR for the assessee filed written submissions wherein it was mentioned as under :

“.....

Submissions :-

Jurisdiction of the Assessing Officer : Basing on the information received through AIR the learned Assessing Officer acquired jurisdiction over the assessee and obtained permission from the Range JCIT to issue notice u/s 148 of the IT Act and issued the notice. Subsequently, the assessee filed her returns of income for the assessment year 2012-13 to 2016-17 and the return of income for the subject assessment year i.e. 2013-14 was filed on 27.08.2016, in the business circle. It is pertinent to mention here that considering the nature of activity and residential address the computer automatically selects the jurisdiction of the Assessing Officer, therefore, the returns were uploaded to the Assessing Officer Ward-10(4), Hyderabad. Considering the objections raised the learned CIT sought remand report from the

Assessing Officer. The remand report which is reproduced at page 4,5 and 6 of the CIT(A) order. According to the remand report (Para 4) as the assessee is having business income, therefore, the ITO Ward-12(2), Hyderabad, which is a salary ward has transferred the file with transfer proforma dt: 09.10.20 17 to the Income Tax Officer having territorial jurisdiction over the assessee i.e. to the ITO Ward-4(3), Hyderabad, mentioning the reasons that assessee is deriving income from business and other sources, therefore, the jurisdiction over the assessee does not vests with ITO Ward-12(2), Hyderabad.

II. However, the Income Tax Officer without appreciating the fact that for the subject assessment year the assessee is deriving income from business and the ITO salary Ward, correctly transferred the case to the business ward, observed that for the assessment year 2017-18, the assessee filed the return of income admitting income from salary, therefore, opined that the jurisdiction over the case vests with ITO Ward-12(2), Hyderabad only. In this regard it is respectfully submitted that the assessee joined judicial service in the month of October 2016, therefore, for the period from October 2016 to March 2017, the return of income was filed admitting salary income and the return was uploaded to salary ward. It is pertinent to mention here that the notice u/s 148 was issued to the assessee by ITO Salary ward on 21.06.2016, on that day the assessee was not having any salary income, therefore, it is respectfully submitted that when the notice u/s 148 is issued the ITO salary circle was not having jurisdiction over the assessee, therefore, the notice issued on A.00.2016 is without jurisdiction by the ITO salary ward, therefore, is an invalid notice.

III. Be that as it may be, the learned Assessing Officer also issued another notice.' on 21.12.2017, may be to rectify the jurisdictional defect and completed the assessment on the same day. This notice was received by the assessee in her email on the same day. Therefore, it is submitted that in view of the fresh notice on 21.12.2017, the earlier notice 21.06.2016 becomes infructuous and assessment made on the earlier notice which is an infructuous notice and therefore, the assessment also an invalid assessment.

IV. In the return of income filed on 27.08.2016, the assessee provided her telephone number and also email address, the email address of the assessee is also available in the PAN data, however, the learned Assessing Officer has not issued notice u/s 148 and subsequent notice u/s 143(2) through the Income Tax portal, only notice dt: 21.12.2017, issued is reflected in the IT portal. Therefore, it is respectfully submitted that the earlier notice dt: 21 .06.2016, which is served by way of affixture is not valid, because the email ID of the assessee is available in database of the Income Tax Department, therefore, the same should have been served through IT portal, to email address instead of resorting to substitute service.

V. Without prejudice to the above submissions the receipts are from business under taken by the assessee trader and also as a canvassing agent. In respect of subsequent years the learned Assessing Officer Ward- 1 0(4) where the returns were filed has accepted the income admitted by the assessee, therefore, the income admitted in the subject assessment year also may kindly be accepted.”

7. On the other hand, in support of its case, the ld. DR filed the written submissions, which are to the following effect :

“1. Most respectfully submitted that the assessee has filed an appeal against the order of CIT(A) who had upheld the validity of notice u/s 148 as well as treating the cash deposits as unexplained u/s 69A. The facts in brief are that the AO was in receipt of information that the assessee has deposited a sum of Rs. 1.22 cr in her three SB accounts. The assessee had not filed her ROI. Since the return was not filed, the AU issued notice u/s 148 on 21.06.2016. The notice could not be served therefore the same was again served by way of affixture. Subsequent notices were also affixed. As there was no reply from the assessee, the AU completed the assessment u/s 144 by treating the entire cash receipts as unexplained.

2. The assessee carried the matter before CIT(A) and challenged the assumption of jurisdiction of salary ITO as she was not having income from salary in that year. The assessee also raised ground that one more notice u/s 148 was issued on 21.12.2017 which makes the first notice u/s 148 dated 21.06.2016 as infructuous. Before CIT(A), assessee filed additional evidence on which remand report was called for. The issue covered in the said remand report was regarding the jurisdiction and improper service of notice u/s 148. Based on the remand report and hearing the case, the CIT(A) did not agree with the contentions of the assessee and dismissed the appeal.

3. The assessee has carried the matter before the Hon'ble ITAT raising the issue of jurisdiction and requesting for estimating income on cash deposit. The sequence of events leading to challenge of jurisdiction are as under -

- There was information that the assessee has deposited a sum of Rs. 1.22 cr in her saving bank accounts. The assessee did not file her ROI, therefore the AO of salary ward obtained approval for issuing notice u/s 148 dated 17/06/2016.

- The PAN was lying in the jurisdiction of the salary AO and hence he was competent to issue notice u/s 148. Further as no return was filed at that point of time, the sources of income could not have been ascertained.

- The notice u/s 148 was issued on 21/06/2016 at the addresses - (i) H.No. 10-4-4 Khairatabad, East Marredpally, Secundrabad 500026 and (ii) H.No. 10-3-1/14, Sy No. 19, Flat No. 202, 2nd Floor, Laxmi Residency Apartment, East Marredpally, Secundrabad 26. As the notices remained unserved, the notices got served by way of affixture through the Inspector of Income Tax. Both the addresses were available on ITS portal, hence the AO relied on the system generated information.

Also as per the bank statement, the address of the assessee was H.No. 10-3-1/14, Sy No. 19, Flat No. 202, 2nd Floor, Laxmi Residency Apartment, East Marredpally, Secundrabad 500026.

- The assessee filed her ROI in response to notice u/s 148 on 27/08/2016 with address given as 10-3-1/14, Sy No 19, Flat no 202 Laxmi Residency Apts, East Marredpally, Secundrabad (same as the second address).

- Assessee also filed her ROT for AY 2016-17 on 16/09/2016 with address as H.No. 2-2-7-2/1,2,3, B Lane, Flat no. 202, 2nd Floor, The Legend Apartment, Shivam X Road, DD colony, Hyderabad.

- Both the returns filed a few days apart have different addresses.

- AO issue notice u/s 143(2) dated 16/05/2017 on the address given in the return filed in response to notice u/s 148. This also remained unserved, therefore was served again by affixture.

- The AC) noticed the source of income and transferred the case to territorial ITO Wd 4(3), Hyderabad having jurisdiction over business income vide transfer memo dated 09/10/2017. The assessee showed income from other sources and business.

- For AY 2017-18 the assessee filed her ROI on 21/08/2017 in ITR-1 Sahaj with address at 3-27 Vikrampuri, Street No. 4, Habsiguda, Hyderabad. Since the income offered was under the head Salary, the AO transferred the case to jurisdictional AO, ITO Wd 12(2), Hyderabad vide transfer memo dated 02/11/2017.

- The AO issued final show cause notice on 05/12/2017 u/s 144. This was served via e-mail on ranjani_shiva_k@yahoo.co.in and also by way of post at the address 10-3-1/14, Sy No 19, Flat no 202 Laxmi Residency Apts, East Marredpally, Secundrabad. As per postal tracking the notice got delivered on 08/12/2017.

- The AO also got the notice served by way of affixture.

- For AY 2018-19, the assessee filed her return with ITO Ws 12(2), Hyderabad on 24/08/2018.

- On 27/09/2018 the case was transferred to ITO Wd 13(2), Hyderabad who is having jurisdiction over the Govt. salary.

4. The Hon'ble ITAT may kindly note the sequence of events leading to the assessment. The challenge to the jurisdiction is not tenable for the following reasons -

i. When the first notice was issued, the assessee had not filed her return of income and based on the PAN lying in his jurisdiction, the AO assumed jurisdictional to issue notice u/s 148. However, after the return was filed and source of income could be known, the case was transferred to AO having jurisdiction over business income. Subsequently, based on the source of income for AY 2017-18 which was shown as salary, filed on 21/08/2017, the jurisdiction was again reverted back to ITO Wd 12(2), Hyderabad. As per the order u/s 120 of the I.T. Act, the source of income is used to determine the jurisdiction. It is not material what was the source in earlier year. Based on the current source of income, the AO assumes jurisdiction to assessee the present as well as the past income irrespective of the source. Here for AY 2017-18 the

assessee showed income from Salary and thus the jurisdiction falls under the ITO Wd 12(2), Hyderabad. Subsequent event has crystallized the jurisdiction with ITO Wd 12(2), Hyderabad and since at the time of issue of notice u/s 148 on 21/06/2016, the assessee did not file her ROT, the jurisdiction was assumed based on the PAN. Lastly it was incumbent upon the assessee to make necessary changes in the PAN and it is mandated that the change in address has to be informed to the concerned AO. The assessee neither never updated her PAN database nor never informed the AO the correct address for correspondence. In spite of filing her return in response to notice u/s 148, the notices remained unserved. It was at this point of time to inform the AO of the correct address for correspondence. Failing in her duties miserably, the assessee is shifting the blame on the department. This may kindly be noted. The assessee has not specifically challenged the receipt of notice u/s 148.

ii. As per the section 124(3) the assessee can challenge the jurisdiction within 1 month after receipt of notice u/s 142(1), 143(2) and / or 148 of the I.T. Act. The relevant extract is as under -

"Jurisdiction of Assessing Officers.

124.(1)

(2)

(3) No person shall be entitled to call in question the Jurisdiction of an Assessing Officer -

(a) where he has made a return under sub-section (1) of section 115 WI) or under sub-section (1) of section 139, after the expiry of one month from the date on which he was served with a notice under sub-section (1) of section 142 or sub-section (2) of section / /5 WE or sub-section (2) of section 143 or after the completion of the assessment, whichever is earlier;

(1,,) where he has made no such return, after the expiry of the time allowed by the notice under sub-section (2) of section 115 WI) or sub-section (1) of section /42 or under sub-section (1) of section .115 WH or under section / 48 for the making the return or by the notice under the first proviso to section 115 WE or under the first proviso to section 144 to show cause why the assessment should not be completed to the best of the Judgment of the Assessing Officer, whichever is earlier;

(c) where an action has been taken under section 132 or section 132A, after the expiry of one month from the date on which he was served with a notice under sub-section (1) of section 153A or sub-section (2) of section 153C or after the completion of the assessment, whichever is earlier.

(5)

It is further provided in the sub section (2), that if any question arises under this section as to whether an AO has jurisdiction to assess any person, the question shall be determined by the Principal Director General or Director General or the Principal Chief Commissioner or Chief Commissioner or the Principal Commissioner or Commissioner as the case may be. It is also made clear in sub-sec(5) that every AO shall have all the powers in

respect of the income accruing / arising within the area over which he has jurisdiction. The assessee has filed submission before the Hon'ble ITAT relying on Gauhati HC in the case of Nagini Mara Veneer & Saw Mills P. Ltd. 219 ITR 527. The facts of the case are different. In this case the notice was issued by Dy.CIT and not by ITO. The Act as it stood then empowered only ITOs of Class-1 to issue notice u/s 148. Thus the notice issued by Dy.CIT came to be challenged. The HC held that the department could not show from the records that ACIT or DCIT was appointed by the Central Govt., as envisaged under the law. The ratio of this case is not at all connected to the present set of facts.

The HC of Delhi in the case of Abhishek Jam (2018) 94 taxmann.com 355 (Del) held that as per section 124(3)(b) assessee could not call-in question jurisdiction of an AO after expiry of one month from date of a service of reassessment notice upon him. In this case the AO at Noida based on the address issued notice u/s 148. The assessee filed his return of income belatedly and stated that he was regularly assessed with ITO Delhi and thus challenged the jurisdiction. The HC observed that as per section 120, the Act does not authoritatively confer exclusive jurisdiction to specific Income Tax Authority. It is left to the Board to issue directions for exercise of power and functions taking into consideration area, class/ types of persons, income and case. Concurrent jurisdictions are therefore not an anathema but an accepted position under the Act. The relevant extract is as under -

"19. We would reiterate that sub-section (1) to Section 124 states that the Assessing Officer would have jurisdiction over the area in terms of any direction or order issued under sub-section (1) or sub-section (2) to Section 120 of the Act. Jurisdiction would depend upon the place where the person carries on business or profession or the area in which he is residing. Sub-section (3) clearly states that no person can call in question jurisdiction of an Assessing Officer in case of non-compliance and/or after the period stipulated in clauses (a) and (b), which as observed in S.S. Ahluwalia (supra) would negate and reject arguments predicated on lack of subject matter jurisdiction. Where an assessee questions jurisdiction of the Assessing Officer within the time limit and in terms of sub-section (3), and the Assessing Officer is not satisfied with the correctness of the claim, he is required to refer the matter for determination under sub-section (2) before the assessment is made. Reference of matter under sub-section (2) would not be required when Assessing Officer accepts the claim of the assessee and transfers the case to another Assessing Officer in view of the objection by the assessee. (In terms of sub-section (3) to Section 124 of the Act, the petitioner had lost his right to question jurisdiction of the Income Tax Officer, Ward No. 1(1), Noida.

20. Sub-section (5) to Section 124, though limited in scope, would also be applicable in the facts and circumstances of the present case as the Income-Tax Officer, Ward-1 (1), Noida had the power to assess income accruing or arising within the area as it is not the case of the petitioner-assessee that the said officer did not have jurisdiction in view of location of the bank account and/or petitioner's place of work. Section 124(5) of the Act saves assessment made by an assessing officer provided that the assessment does not bring to tax anything other than income

accruing, arising or received in that area over which the assessing officer exercises jurisdiction. However, notwithstanding Section 124(5), the Act does not postulate multiple assessments by different assessing officers, or assessment of part or portion of an income [see Kanji mal & Sons v. CIT [1983] 112 Taxman 34/119821 138 ITR 391 (Delhi)]. Thus, it is necessary that the Assessing Officers having concurrent jurisdiction ensure that only one of them proceeds and adjudicate. This is the purport and objective behind sub-section (2) to Section 124 of the Act."

The facts of the case being similar, the assessee is precluded from raising any objection with regard to jurisdiction after one month of filing the return u/s 148.

iii. As regards the estimation of income, the assessee never furnished any information before the AO and hence the AO was justified in treating the entire cash deposit as unexplained money u/s 69A. The assessee filed another set of returns for AYs 2012-13 to 2014-15 where income from business is offered from proprietary concern M/s Sri Sai Consultancy. However these returns were filed after the issue of notice u/s 148 and that too before a different AO i.e. ITO Wd 10(4) and not before ITO Wd 12(2). These returns are mere afterthought and deserve no consideration. In fact in AY 2013-14, the year under consideration, the assessee has offered income from trading of sarees and showed total turnover of Rs.93.24 lacs.

iv. As per the provisions of sec 292BB, the assessee once having chosen to file her ROI in response to notice u/s 148 has participated in the assessment proceedings, then it is deemed that any notice which is required to be served has been duly served upon her and such assessee is now precluded from taking any objection that the notice was not served or served in improper manner.

6. In view of the above, it is submitted that the ITO Wd 12(2) has correctly assumed the jurisdiction. The notice has been properly served. In the absence of any supporting evidence of cash deposit, the entire cash receipts have been correctly taxed as unexplained money. It is therefore prayed that the order of the AO and CIT(A) may be upheld."

7.1. In support of its case, ld. DR relied upon the decision of hon'ble Delhi High Court in the case of Abhishek Jain Vs. ITO, Ward-55(1), New Delhi reported in (2018) 94 taxmann.com 355.

8. We have heard the rival arguments made by both sides, perused the orders of Assessing Officer and Id.CIT(A) and the paper book filed on behalf of the assessee. We have also considered the various decisions relied on by both sides. We find that the Assessing Officer in the instant case made an addition of Rs.1,22,19,500/- being the cash deposited in three savings accounts by assessee during the Financial Year 2012-13 as an unexplained money u/s 69A of the Act on the ground that assessee failed to comply with all the notices / letters issued to her explaining the source of deposits.

9. We find that the Id.CIT(A) sustained the addition made by the Assessing Officer on the ground that assessee failed to submit documentary evidence that assessee was running a business and that returns filed for A.Ys.2012-13 to 2014-15 showing income from business under the name and style of M/s. Sri Sai Consultancy was an afterthought and were filed after receiving notice u/s 148 of the Act dt.21.06.2016 and that to before a different Assessing Officer.

10. It is the submission of the learned counsel for the assessee that though the returns showing business income of the proprietary concern namely, M/s. Sri Sai Consultancy were filed after the issuance of notice u/s 148 of the Act, however, these are filed before the completion of the assessment made by the Assessing Officer u/s 144 r.w.s. 147 of the Act on 21.12.2017. It is also the submission of the learned counsel for the assessee that the entire deposits cannot be added u/s 69A of the Act and some reasonable estimation of profit should be adopted.

11. We find from Para 9.1 of the order of Id.CIT(A) that the return of income for A.Y. 2012-13 was filed on 26.08.2016 and the returns for A.Ys. 2013-14 and 2014-15 were filed on 27.08.2016. In the above returns, the income has been offered from proprietary concern namely, M/s. Sri Sai Consultancy. It is also a fact that all these returns were filed before the completion of the assessment on 21.12.2017. Even though the Id.CIT(A) has mentioned that these returns were filed after receiving notice u/s 148 of the Act and that to before a different Assessing Officer, however, there is nothing on record to suggest that those returns were treated as non-est by the Assessing Officer and that any proceedings u/s 147 of the Act has been initiated by treating the returns as non-est and brining the income to tax. Although, the assessee in the instant case, did not appear before the Assessing Officer by producing requisite details and that the Assessing Officer has passed order u/s 144 of the Act, however, it was explained before us that assessee has stopped her business and has joined government service and therefore, all the past records are not available at present. Considering the totality of the facts and considering the fact that assessee has filed the returns of income for A.Ys. 2012-13 to 2014-15 by offering income from proprietary concern namely, M/s. Sri Sai Consultancy and that returns for A.Y. 2012-13 to 2014-15 were also filed before the completion of assessment for the impugned year, we are of the considered opinion that adoption of net profit rate of 15% on the total deposits of Rs.1,22,19,500/- will meet the ends of justice. We therefore direct the Assessing Officer to restrict the disallowance to 15% of the total cash deposits of Rs.1,22,19,500/- in the bank accounts of assessee as her business income, to be taxed at normal rate, which comes to Rs.18,32,925/-. The

balance addition of Rs.1,03,86,575/- is directed to be deleted. Accordingly, the appeal of the assessee is partly allowed.

12. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the Open Court on 19th January, 2024.

Sd/- (R.K. PANDA) VICE PRESIDENT	Sd/- (LALIET KUMAR) JUDICIAL MEMBER
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Hyderabad, dated 19th January, 2024.

TYNM/sps

Copy to:

S.No	Addresses
1	Shiva Ranjani Vejja, C/o. Mohd Afzal, Advocate, #402, Sherson's Residency, 11-5-465, Criminal Court Road, Red Hills, Hyderabad – 04.
2	The Income Tax Officer, Ward – 12(2), Hyderabad.
3	PCIT – 3, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order