

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'SMC' Bench, Hyderabad

Before
Shri Manjunatha, G. Accountant Member

आ.अपी.सं / **ITA No.401/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2014-15)

Sri Krishna Sagar Kameswara Karamsetty Hyderabad PAN:ARAPK6263A	Vs.	Income Tax Officer Ward 6(1) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:		Advocate S.K. Gupta
राजस्व द्वारा / Revenue by::		Smt. Helen Ruby Jesindha, DR
सुनवाई की तारीख / Date of hearing:		27/05/2024
घोषणा की तारीख / Pronouncement:		27/05/2024

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 19/02/2024 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2014-15.

2. Facts of the case, in brief, are that the assessee is an individual and filed his return of income electronically for the A.Y 2014-15 on 28.07.2014 admitting income of Rs.4,67,810/-. The case was selected for limited scrutiny to verify the cash deposits in SB Account more than the turnover. During the course of

assessment proceedings, the Assessing Officer noticed that the assessee has made cash deposits and other deposits of Rs.18,20,584/- in HDFC Bank Account and Rs.42,41,888/- in Axis Bank. Apart from the above, there were payments against credit card bills to the tune of Rs.33,51,416/-. The Assessing Officer called upon the assessee to explain the cash deposits and other credits found in his bank account. In response, the assessee submitted that he is a salaried employee working with M/s. Sri Vijetha Engineering and Infrastructures Pvt Ltd. He further submitted that, he spent various expenditure on behalf of the company and the same has been reimbursed by the company and amount was credited to his bank account. He further submitted that his brother Shri Karamsetty Praveen Kumar was in the kirana business and he has utilized his credit card for his business transactions and the credits found in his bank account relates to his transactions. In this regard, he has filed relevant I.T return filed by his brother. The Assessing Officer after considering the matter, opined that the assessee could not explain satisfactorily regarding the deposits except to the extent of sum of Rs.20,37,971/- turnover declared by his brother from his kirana business. Thus, out of total cash deposits of Rs.60,62,472/-, the Assessing Officer has allowed deduction towards the turnover declared by his brother by Rs.20,37,971/- and the balance credits of Rs.40,24,501 has been treated as unexplained cash deposits and added back to the total income of the assessee.

3. The assessee carried the matter in appeal before the learned CIT (A). Before the learned CIT (A), the assessee has reiterated his arguments and submitted that some of the credits pertains to payment by his company towards reimbursement of expenses. Further, there are some inter-bank transfers between the two banks and the same needs to be excluded. The learned CIT (A) after considering the relevant submission of the assessee and also taken note of the reasons given by the Assessing Officer, sustained the addition towards deposits found in his savings bank account as unexplained income of the assessee.

4. Aggrieved by the order of the learned CIT (A), the assessee is in appeal before the Tribunal.

5. The learned Counsel for the assessee submitted that the learned CIT (A) is erred in sustaining the addition made by the Assessing Officer towards credits found in the Bank Account without appreciating the fact that the Assessing Officer even considered the credits pertains to salary income earned by the assessee from his company, amounts received towards reimbursement of expenses and credit pertains to inter-bank transactions between HDFC and AXIS Banks. The learned AR took me to the paper book filed by the assessee and explained that in certain dates there are transfer between HDCF and AXIS Banks and vice-versa. He further submitted that the other credits pertains to the assessee's brother's business activities and if we

exclude those payments, the cash deposits in his bank account are very minimum which is due to depositing out of past savings and salary income earned for the relevant months. Therefore, he submitted that to substantiate his case, one more opportunity of hearing is required, hence the matter may be set aside to the file of the Assessing Officer.

6. The learned DR, on the other hand, fairly agreed that the matter may be set aside to the file of the Assessing Officer to give another opportunity to the assessee to explain the cash deposits and credits in his bank account with necessary details.

7. I have heard both the parties, perused the material available on record and gone through the orders of the authorities below. Admittedly, there are cash deposits and other deposits like cheque clearing and money transfers. The learned Counsel for the assessee explained that there are inter-bank transfers between HDFC and AXIS Banks and vice-versa. The learned AR took me to the bank statement of the assessee in respect of both the banks and more particularly on 31.01.2014 and 01.03.2014 explaining that these are the credits pertain to payment received from his company for reimbursement expenses. The learned AR took me further to the Bank statements and explained that there are inter-bank transfers. I find that on going through the bank statement of both the banks, there are large number of credits including cash deposits and other deposits. The assessee claims that the other

deposits pertaining to reimbursement of expenses by his company, bank transfers between one bank to another bank, credits from his company towards payment of salary and credits pertaining to his brother's business transactions through his credit cards. I further note that there are large number of cash deposits also on various dates for which the assessee has explained that such cash deposit is out of savings from salary income. I find the matter needs in-depth examination from the side of the Assessing Officer in the light of various evidences filed by the assessee. The evidences filed by the assessee cannot be verified at our end. Therefore, I am of the considered view that the matter needs to go back to the file of the Assessing Officer to verify the claim of the assessee with necessary evidences. Thus, we set aside the order passed by the learned CIT (A) and restore the issue back to the file of the Assessing Officer. The Assessing Officer is directed to re-consider the issue denovo in accordance with law after providing reasonable opportunity of being heard to the assessee. Needless to say, the assessee shall furnish necessary evidences and also explain each and every credit including the cash deposits found in his bank account maintained with the HDFC and AXIS Banks.

8. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the Open Court at the time of hearing itself,
i.e. on 27th May, 2024.

Sd/-

**(MANJUNATHA, G.)
ACCOUNTANT MEMBER**

Hyderabad, dated 27th May, 2024

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Krishna Sagar Kameswara Karamsetty, Flat No.401, Sai Spectra Apartments, Street No.3, Czech Colony, Sanathnagar, Hyderabad 500018
2	Income Tax Officer Ward 6(1) IT Towers, AC Guards, Masab Tank, Hyderabad 50004
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order