

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

**BEFORE
SHRI MANJUNATHA G., ACCOUNTANT MEMBER
&
SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER**

आ.अपी.सं / ITA No. 365/Hyd/2024
(निर्धारण वर्ष / Assessment Year: 2017-18)

Akash Sarda
Hyderabad
[PAN : FBEPS3278G]

Income Tax Officer
Vs. Ward 7(2)
Hyderabad

अपीलार्थी / Appellant

प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri Arun Kumar Malani, CA
राजस्व द्वारा/Revenue by: Smt. Sheetal Sarin, DR

सुनवाई की तारीख/Date of hearing: 10/07/2024
घोषणा की तारीख/Pronouncement on: 23/07/2024

आदेश / ORDER

PER K. NARASIMHA CHARY, J.M:

Aggrieved by the order dated 15/02/2024 passed by the learned Commissioner of Income Tax (Appeals)-National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Akash Sarda ("the assessee") for the assessment year 2017-18, the assessee preferred this appeal.

2. Assessee is an individual deriving income from the business under the name and style of M/s Akash Foods. He filed the return of income for the assessment year 2017-18 on 31/3/2018 declaring an income of ₹ 15, 25, 920/-and the case was picked up for complete scrutiny on certain parameters. During scrutiny learned Assessing Officer noticed that the assessee deposited cash of ₹ 19,91,000/-during the demonetization period. On the ground of the assessee not furnishing the evidence to explain the sources for such deposit, learned Assessing Officer added the entire deposited amount to the income of the assessee. Though the learned Assessing Officer made two other additions, relief was granted by the learned CIT(A) and such additions are not subject matter of this appeal.

3. During the first appellate proceedings assessee filed certain material as additional evidence. Learned CIT(A) forwarded the same to the learned Assessing Officer and obtained his remarks by way of remand report. In the remand report learned Assessing Officer noted that the assessee submitted the copy of cash book for the period between 1/4/2016 and 31/12/2016 but failed to submit other evidence in the form of vouchers/bills in support of the entries in the cash book. Learned Assessing Officer, therefore, opined that the assessee failed to discharge his initial burden and therefore, the addition need not be deleted. Assessee, however, disputed the observations of the learned Assessing Officer that no evidence was produced to corroborate the entries of the cash book. According to the assessee all the documents in respect of legitimate cash deposits were submitted during the remand report proceedings.

4. Learned CIT(A), therefore, perused to the material available before him like sales register, cash book, detailed cash sales, and copy of GST and VAT returns while considering the submission of the assessee that he has got cash sales to the tune of ₹ 34,04,520/- out of which the amount of ₹ 19.91 Lacs was deposited during demonetisation period. Learned CIT(A) cross verified the sales register for the month of October observing that

the assessee did not submit the relevant vouchers/bills. On such verification learned CIT(A) noticed that various vouchers were issued by way of making sub numbers to the main voucher attracting eye of suspicion. On careful consideration of this sort of discrepancies the learned CIT(A) reached a conclusion that the alleged cash sales shown by the assessee are not to be relied upon. For the sake of completeness, we deem it just and proper to extract the relevant observations of the learned CIT(A) hereunder,-

5.9. It could be seen from the above sales that for a single non cash transaction only one voucher was issued by the appellant which looks normal for eg voucher no 148, 149 ,150 etc. But when it came to the cash sale transactions it is evident that the various vouchers were issued by the way of making sub numbers to the main voucher for e.g. 191A, 191B, 191C, 191D, 195A, 195B, 195C, 195D, etc., which simply attracts the eye of suspicion. It could be seen from the above that voucher no 191 is issued initially for the non-cash sale transaction made with the party Phoenix Impex and voucher no 195 is issued on the transactions made with the Pooja Trading Company So how could it be possible to issue vouchers no 191A,191B,191C and 191D OR 195A,195B,195C and 195D for the cash transactions made with unknown entities. These kinds of entries were in numbers which according to me appears to be non-genuine. In addition, vouchers/bills books are normally having number quoted on it serial wise and accordingly to rely on such type of voucher/bill book having sub numbers to the main number appears to be a little bit too convenient comfortable for comfort. This might be the reason for not furnishing the aforesaid vouchers/ bills having sub numbers to the main number before the appellate as well as in the remand report proceedings. Accordingly, from the facts above I am of the view that the cash period is hereby upheld. sale shown by the appellant is not to be relied upon and accordingly the addition made by the AO of Rs. 19.91,000/- being the cash deposited during the demonetization period is hereby upheld.

5. We have also perused the relevant entries of sales accounts extracted by the learned CIT(A) in his order. We are satisfied that the observations of the learned CIT(A) are firmly entrenched into the entries in the sales register, and we find no reason to interfere with the above

observations of the learned CIT(A). It is not the case of the assessee that either earlier or subsequently at any point of time the assessee resorted to giving sub-numbers to any of the vouchers. Hence, while agreeing with the observations of the learned CIT(A), we do not find any merits in this appeal and accordingly dismissed the same.

6. In the result, appeal of the assessee is dismissed.

Order pronounced in the open court on this the 23rd day of July, 2024.

Sd/-
(MANJUNATHA G.)
ACCOUNTANT MEMBER

Sd/-
(K.NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad,
Dated: 23/07/2024

PVV/SPS

Copy forwarded to:

1. Akash Sarda, 21-3-140 Tagarikanaka Hussaini Alam Road, Hyderabad 500002
2. Income Tax Officer Ward 7(2), Hyderabad.
3. Pr.CIT , Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE

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ASSISTANT REGISTRAR
ITAT, HYDERABAD