

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.683/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2018-19)

Shri Gajula Kulasekhar Anantapur PAN:CCLPK8548L (Appellant)	Vs.	Income Tax Officer Ward -1 Anantapur (Respondent)
निर्धारिती द्वारा/Assessee by: N o n e		
राजस्व द्वारा/Revenue by:: Smt. Vishnu Priya, DR		
सुनवाई की तारीख/Date of hearing: 21/08/2024		
घोषणा की तारीख/Pronouncement: 21/08/2024		

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 10/04/2024 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2018-19.

2. The brief facts of the case are that as per information available with the Assessing Officer, the assessee has deposited sum of Rs.12,68,998/- into Bank Account. Therefore, the assessment has been reopened u/s 147 of the I.T. Act, 1961 and also notice u/s 148 of the Act dated 14.04.2022 was issued and served on the assessee. In response to notice u/s 148 of the Act,

the assessee filed his return of income on 3.5.2022 declaring total income of Rs.7,04,667/- and estimated profit under presumptive taxation u/s 44AD of the I.T. Act, 1961. The case was selected for scrutiny and during the course of assesment proceedings, the Assessing Officer called upon the assessee to explain the source for cash deposit. Since the appellant could not explain the source for cash deposit into Bank Account amounting to Rs.12,68,998/-, the Assessing Officer made addition of Rs.12,68,998/- u/s 69A of the I.T. Act, 1961 as unexplained income and charged to tax u/s 115BBE of the I.T. Act, 1961.

3. The assessee carried the matter in appeal before the learned CIT (A) but could not succeed. The learned CIT (A) for the reasons stated in their appellate order dated 10.04.2024 rejected the explanation furnished by the assessee and sustained the addition made towards cash deposits.

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

5. None appeared for the assessee.

6. I have heard the learned DR, perused the material available on record and gone through the orders of the authorities below. Although the appellant claims that the source for cash deposit is out of his business turnover, but the Assessing Officer

and the learned CIT (A) made out a case that cash deposit of Rs.12,68,998/- is not part of appellant's turnover u/s 44AD of the I.T. Act, 1961 or as per GST returns and hence the same has to be taken separately for taxation. Although the Assessing Officer has arrived at cash deposit of Rs.12,68,998/-, but there is no finding as to how he has arrived at and estimated Rs.12,68,998/- when the appellant's cash deposits into bank account is Rs.1,76,09,500/-. Further, the appellant has estimated profit under presumptive taxation by considering the total turnover at Rs.88,08,330/-. Neither in assessment order nor in the CIT (A) order, there is no finding as to how sum of Rs.12,68,998/- was worked out. The Assessing Officer identified certain credits appearing in Bank Account under narration "BNAPP/Kotha Cheruvu" as not part of business turnover of the assessee. But the assessee has explained before the Assessing Officer that the cash deposited under the said narration pertains to cash deposit through automated machine and said cash deposit is also included in the total turnover of Rs.88,08,730/-. The facts are not clear. Even the Assessing Officer has not given valid reasons to arrive the addition of Rs.12,68,998/-. The learned CIT (A) also simply sustained the addition made by the Assessing Officer without any reason as to how cash deposits of Rs.12,68,998/- worked out by the Assessing Officer is correct. Therefore, I am of the considered view that the issue needs to go back to the file of the Assessing Officer for fresh examination. Thus, we set aside the order passed by the learned CIT (A) and restore the issue back to

the file of the Assessing Officer and direct the Assessing Officer to re-examine the issue in light of explanation of the assessee that the cash deposits through automated machine is also a part of business turnover of the assessee and on said turnover, it has estimated profit.

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

Order pronounced in the Open Court on 21st August, 2024.

Sd/-

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

Hyderabad, dated 21st August, 2024.

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Gajula Kulasekhar, 4 37A Natham Street, Kothachekuva, Anantapur 515133 A.P
2	Income Tax Officer Ward 1, APRW-(77)(91) Anantapur, A.P 515133
3	Pr. CIT - Kurnool
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order