

**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. 739/Hyd/2024**  
(निर्धारण वर्ष / Assessment Year: 2017-18)

Srivastsa Sai Karthik Kammiti HYDERABAD PAN:DWUPK9471C	Vs.	Income Tax Officer Ward 4(4) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा / Assessee by:	Shri Shashank Dundu, Adv.	
राजस्व द्वारा / Revenue by:	Shri K.N. Suresh Babu, DR	
सुनवाई की तारीख / Date of hearing:	28/08/2024	
घोषणा की तारीख / Pronouncement:	02/09/2024	

**आदेश/ORDER**

This appeal filed by the assessee is directed against the order dated 07/06/2024 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2017-18.

2. The brief facts of the case are that the assessee is an individual, filed his return of income for the A.Y 2017-18 on 27.9.2017 declaring total taxable income of Rs.3,88,570/- . The case was selected for scrutiny under CASS with the reasons to examine the issue “cash deposit during demonetization period”.

During the course of assesment proceedings, the Assessing Officer noticed that the assessee has made total cash deposits of Rs.11,86,500/- into bank accounts maintained with SBI, Andhra Bank and Karur Vaishya Banks. The Assessing Officer called upon the assessee to file necessary evidences to prove the source for cash deposits. In response, the assessee submitted that the source for cash deposits is out of his past savings and to support his argument, the appellant has filed relevant ITRs filed for earlier A.Ys. The Assessing Officer called for further details. The assessee did not respond, therefore, the Assessing Officer passed best judgment order u/s 144 of the I.T. Act, 1961 and determined the total income at Rs.15,75,070/- by making addition towards cash deposit of Rs.11,86,500/- u/s 69A of the I.T. Act, 1961.

3. Being aggrieved by the assessment order, the assessee preferred an appeal before the learned CIT (A). Before the learned CIT (A) the assessee reiterated the arguments made before the Assessing Officer and submitted that the source for cash deposits is out of his known source of income declared for earlier A.Ys. The appellant further submitted that he is an unmarried person living with his parents and his day-to-day expenses are taken care by his family. Therefore, the income declared for earlier A.Ys was available with the assessee and the same has been deposited into bank accounts. The learned CIT (A) after considering the relevant submissions of the assessee and also taken note of relevant bank statements observed that although the assessee claims to be

living with his parents and all his expenses are taken care by the family, but on perusal of the bank statement of the appellant, it is noticed that the assessee has spent huge amount towards tickets booking and other purchases. A person cannot maintain a lifestyle without any expenditure incurred by himself and therefore, the argument of the assessee that the income earned by him in earlier years is not spent for any expenditure and the same was available to explain the cash deposits to bank account is contrary to the theory of human probability and therefore, rejected the explanation of the assessee and sustained the addition made towards cash deposits u/s 69A of the I.T. Act, 1961.

4. Aggrieved by the order passed by 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 cash deposits without appreciating fact that the assessee has filed all the details and also explained the source for cash deposits, therefore, he submitted that the addition made by the Assessing Officer should be deleted.

6. The learned DR, on the other hand, supporting the orders of the authorities below submitted that the assessee could not explain the source for cash deposits with relevant evidences

except stating that his past savings out of income declared for earlier years is sufficient to explain the source. The learned CIT (A) after considering the relevant expenses has rightly sustained the addition made by the Assessing Officer and their orders should be upheld.

7. I have heard both the parties, perused the material available on record and gone through the orders of the authorities below. There is no dispute with regard to the fact that the appellant has made cash deposits of Rs.11,86,500/- into 3 bank accounts during demonetization period. The appellant explained the source for cash deposits out of income declared for earlier A.Ys and claimed that his past saving is sufficient to explain the cash deposits during demonetization period. I find that the appellant has filed income tax return for A.Y 2015-16 to A.Y 2017-18 and declared total taxable income of Rs.9,83,310/-. I further note that the appellant claims to be residing with his parents and all his day-to-day expenses are taken care by his family. Although I am not fully agreeing with the argument of the assessee that his expenses are taken care by his family, but going by the general practices in joint families in India, the parents of unmarried children are taking care of their children's day to day expenses. Therefore, to this extent, I am in agreement with the argument taken by the assessee that, his day-to-day expenses are partly taken by his parents.

8. Be that as it may, the total cash deposits into bank accounts was Rs.11,86,500/-. The appellant has disclosed total income for all the 3 A.Ys at Rs.9,83,310/-. Still there is a deficit when you compare the total income declared by the assessee in the last A.Ys and the total cash deposits into the banks. Further, it is impossible for any person to keep his total income earned for any A.Ys without spending for expenses. Therefore, considering the fact that the appellant is an unmarried person and also residing with his parents, I am of the considered view that part of his expenses are taken care by his family and part of his expenses is incurred by himself out of his declared income and this fact is further strengthened by the observation of the learned CIT (A) with reference to the bank statement of the assessee. Therefore, I am of the considered view that even after considering the total income declared by the assessee for the last 3 A.Y and probable expenses incurred towards his personal expenses, it is impossible for the assessee to explain the total cash deposits of Rs.11,86,500/- out of his declared known source of income. Therefore, considering the totality of the facts and circumstances of this case, I am of the considered view, a reasonable amount of cash deposits may be considered out of his past savings and declared income for earlier A.Ys. Thus, out of total deposits of Rs.11,86,500/-, we allow the benefit of source to the extent of Rs.7,50,000/- and the balance amount of Rs.4,36,500/- is hereby confirmed because the appellant is not able to satisfactorily explain the source for cash deposits.

8. In the result, appeal filed by the assessee is partly allowed.

Order pronounced in the Open Court on 2<sup>nd</sup> September, 2024.

Sd/-

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

Hyderabad, dated 2<sup>nd</sup> September, 2024.

*Vinodan/sps*

Copy to:

S.No	Addresses
1	Shri Srivastsa Sai Karthik Kammiti, c/o Katrapati & Associates, 1-1-298/2/B/3 Sowbhagya Avenue Apts, 1st Floor, Ashoknagar, Street No.1 Secunderabad 500020&
2	Income Tax Officer Ward 4(4) IT Towers, AC Guards, Masab Tank, Hyderabad 500004
3	Pr. CIT - Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

*By Order*