

**आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम**

**IN THE INCOME TAX APPELLATE TRIBUNAL  
VISA KHAPATNAM "DIVISION" BENCH, VISA KHAPATNAM**

**न्यायमूर्ति (सेवा निवृत्त) सी.वी. भडंग, माननीय अध्यक्ष एवं श्री एस बालाकृष्णन, लेखा सदस्य के समक्ष  
BEFORE JUSTICE (RETD.) C.V. BHADANG, HON'BLE PRESIDENT**

**&**

**SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER**

**आयकर अपीलसं./I.T.A.No.502/VIZ/2024  
(निर्धारण वर्ष/ Assessment Year: 2014-15)**

<b>Korubilli Sattibabu</b> 6-26-34, Konakachavari Street Gavarapeta, Tuni East Godavari - 533401  [PAN: BFUPK8553A]	v.	<b>Income Tax Officer</b> Tuni - 533401 Andhra Pradesh
<b>(अपीलार्थी/ Appellant)</b>		<b>(प्रत्यर्थी/ Respondent)</b>

करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri KSS Sarma, AR
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Dr. Aparna Villuri, Sr.AR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	20.12.2024
घोषणा की तारीख/Date of Pronouncement	:	20.12.2024

**आदेश /O R D E R**

**PER SHRI S BALAKRISHNAN, ACCOUNTANT MEMBER:**

1. This appeal is filed by the assessee against the order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [hereinafter in short "Ld.CIT(A)"] vide DIN & Order No. ITBA/NFAC/S/250/2024-25/1069953709(1) dated 25.10.2024 for the A.Y.2014-15 arising out of order passed under section 144 of the Income Tax Act, 1961 (in short 'Act') dated 05.04.2023.

2. Brief facts of the case are that, it was noticed by the Ld. Assessing Officer [hereinafter in short "Ld. AO"] that the assessee deposited cash in his saving bank account amounting to Rs. 1,06,03,470/- during the FY 2013-14. The information has been flagged under Multi Year NMS category for the F.Y.2013-14 relevant to the A.Y. 2014-15. Therefore, Ld. AO has reasons to believe that income of the assessee escaped assessment as the assessee deposited cash in his saving bank account amounting to Rs. 1,06,03,470/- during the FY 2013-14 and undertook such high value transactions. The assessee has not filed return of income for the year under consideration. Accordingly, notice under section 148 of the Act was issued by the Ld. AO. In response, assessee has failed to furnish any reply and details called for by the Ld. AO. Thereafter, Ld. AO resorted to the provision of section 144 of the Act and completed the assessment *exparte* on the basis of the information available on record and determined the income of the assessee at Rs.1,06,03,470/- by making an addition of Rs. 1,06,03,470/- as unexplained income as per provisions of section 69A of the Act.

3. On being aggrieved, assessee preferred an appeal before Ld. CIT(A) but the assessee even after issuing the hearing notices on various dates did not file any supporting documents on his contentions as per the grounds of appeal raised by him. The Ld.CIT(A) thus, dismissed the appeal of the assessee.

4. Aggrieved by the order of the Ld. CIT(A), assessee filed an appeal before the Tribunal by raising following grounds of appeal: -

“1. *The order of CIT (Appeals) NFAC is arbitrary and unjust.*

2 *The Learned Commissioner of Income tax NFAC ought to have estimate the margin element on the cash deposited and should have estimated the income instead of adding all the cash deposits as income Us 69A of income tax act.*

3. *The learned commissioner of income tax NFAC failed to see that the appellant doing the same type of vegetable business for past several years and for AY 2016-17 & 2018-19 the books were also audited which clearly shows that the assessee is doing business and cash deposits are only business receipts.*

4. *The appellant is doing business in vegetables which is mainly on cash basis which can be verified from the order of similarly business men Sri Surisetty Jagga Maheswararao for AY 2016-17.*

5. *The learned CIT (A) failed to see that the appellant hardly gets 2% to 5% margins on gross receipts which can be verified from the withdrawals being transfers to vegetable merchants as can be seen from bank statement MR TOMATO, AI RAM TRADERS, IDDANTH TRADERS, SAI RAM TRADERS etc.,.*

6. *The Learned CIT appeals NFAC issued notices in the month of 'September by posting a dates with a gap of 5 days each and concluded the appeal in a hasty manner.*

7. *The appellant craves leave to add to, amend, alter, delete all or any of the above grounds of appeal.”*

5. At the time of hearing, Ld. Authorised Representative [hereinafter “Ld.AR”] pleaded that assessee being a small trader of vegetable was not aware of the First Appellate Proceedings and could not make submission before the First Appellate Authority. He therefore pleaded that three notices dated 10.09.2024, 20.09.2024 and 30.09.2024 had issued in the same month without giving any time for the assessee to file reply. He therefore prayed that one more

opportunity in the interest of natural justice may be granted to the assessee to substantiate the case on merits.

6. Per contra, Ld. Departmental Representative [hereinafter in short “Ld.DR”] relied on the orders of the Revenue Authorities.

7. We have heard both the sides and perused the material available on record and orders of the authorities below. It is an admitted fact that the assessee could not respond to the notices before the Ld.CIT(A). Further, due to lack of knowledge on the part of the assessee, assessee could not pursue its case before the Ld.AO during the assessment proceedings. In these circumstances, we are of the considered view that prayer of the Ld.AR deserves consideration. In the interest of natural justice, we are inclined to provide one more opportunity to the assessee. Therefore, we remit the matter back to the file of the Ld.AO and direct him to provide one more opportunity to the assessee to substantiate the cash deposits and decide the case on merits. Needless to say that the assessee should co-operate with the AO in the assessment proceedings.

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

Order pronounced in the open court on 20<sup>th</sup> December, 2024.

Sd/-  
(न्यायमूर्ति (सेवा निवृत्त) सी.वी. भडंग)  
(JUSTICE (RETD.) C.V. BHADANG)  
अध्यक्ष/PRESIDENT

Dated:20.12.2024  
Giridhar, Sr.PS

Sd/-  
(एसबालाकृष्णन)  
(S. BALAKRISHNAN)  
लेखासदस्य/ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee : **KorubilliSattibabu**  
6-26-34, Konakachavari Street  
Gavarapeta, Tuni  
East Godavari - 533401
2. राजस्व/ The Revenue : **Income Tax Officer**  
Tuni - 533401  
Andhra Pradesh
3. The Principal Commissioner of Income Tax
4. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, विशाखापटणम /DR,ITAT, Visakhapatnam
5. The Commissioner of Income Tax
6. गार्डफ़ाईल / Guard file

//True Copy//

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam