

IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD "A" BENCH: HYDERABAD

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT  
AND  
SHRI MANJUNATHA G, ACCOUNTANT MEMBER

ITA.No.107/Hyd/2025  
Assessment Year 2022-2023

Kishore Kumar Raju Muppala, TIRUPATHI. Chittoor District. PAN ALTPM9287F	vs.	The DCIT, Chittoor. Andhra Pradesh
(Appellant)		(Respondent)

For Assessee :	-None-
For Revenue :	Shri Srinath Sadanala, Sr. AR

Date of Hearing :	15.04.2025
Date of Pronouncement :	15.04.2025

**ORDER**

**PER MANJUNATHA G. :**

This appeal has been filed by the Assessee against the order dated 27.11.2024, of the learned CIT(A)-National Faceless Appeal Centre [in short the "NFAC"] Delhi, relating to the assessment year 2022-2023.

2. The assessee has raised the following grounds in the instant appeal :

1. *“CIT(A) considered one ground of appeal and dismissed the second ground of appeal with respect to addition under section 69A of Income Tax 1961 of Rs.13,83,500 on the ground that the appellant has not produced any evidence before him to contravene the findings of the AO vide page 12 para 6.9 of the appellate order is untrue, against the facts and documentary evidence produced by your appellant i.e. detail cash book for the financial year providing the sources of each amount to meet the deposits and expenses which were never disputed either by the AO or by the appellate authority. Thus your appellate prays for the deletion of the unwarranted, arbitrary addition of Rs.13,83,500 under section 69A of income tax 1961 in the interest of rendering justice.*

*Both AO and appellate authority ignored the evidence produced before them in the form of detailed cash flow statements which has been accepted according to which the entire deposits of Rs.52,57,500 was explained in the cash book along with documentary evidence.*

2. *The Appellant craves leave to add, alter, amend and/or modify any of the grounds of appeal at or before the hearing of the Appeal”.*

3. Briefly stated facts of the case are that, the assessee has filed his return of income for AY 2022-23 on 14.07.2022 declaring total income of Rs.16,23,160/-. Subsequently, the case has been selected for scrutiny assessment through CASS in accordance with the provisions of the Income Tax Act 1961. Accordingly, the Assessing Officer issued notice under section 143(2) of the Act and served to the assessee electronically through ITBA on 02.06.2023. During the course of assessment proceedings, the Assessing Officer noted that the assessee has deposited large cash in bank account and has also purchased/sold one or more property during the year. Despite issue of various notices by the Assessing Officer, the assessee did not furnish his explanation with regard to cash deposit of Rs.13,83,500/- and, therefore, the Assessing Officer assessed the income of the assessee at Rs.13,83,500/- u/sec.69A r.w.s.115BBE of the Income Tax Act, 1961 [in short “the Act”] as unexplained money.

4. On being aggrieved, the assessee carried the matter in appeal before the learned CIT(A). Before the learned CIT(A) also, the assessee did not furnish explanation nor any evidence to controvert the findings of the Assessing Officer and, therefore, the learned CIT(A) has upheld the addition of Rs.13,83,500/- made by the Assessing Officer.

5. Aggrieved by the order of the learned CIT(A), the assessee is now in appeal before the Tribunal challenging the addition of Rs.13,83,500/- made by the Assessing Officer and sustained by the learned CIT(A).

6. During the course of hearing, none appeared on behalf of the assessee nor filed any written submissions or documents to substantiate his claim for deletion of addition of Rs.13,83,500/- made by the authorities below. We, therefore, proceed to decide the issue on merits, after hearing the Learned Sr. AR.

7. Shri Srinath Sadanala, Sr. AR submitted that the during the impugned assessment year the assessee has

deposited an amount of Rs.52,57,500/- in his bank account and the Assessing Officer has accepted the explanation of the assessee, except the claim of Rs.13,83,500/- which was stated to be earlier withdrawals as contended by the assessee. In absence of proper explanation with supporting documentary evidences, the Assessing Officer made the impugned addition Rs.13,83,500/- as unexplained money u/sec.69A r.w.s.115BBE of the Act in the hands of the assessee. Even during the course of appellate proceedings before the learned CIT(A), the assessee could not controvert the findings of the Assessing Officer and, therefore, the learned CIT(A) has sustained the addition of Rs.13,83,500/- made by the Assessing Officer. He, therefore, submitted that the order of the learned CIT(A) be confirmed in the interest of justice as there is no corroborative evidence filed by the assessee to substantiate his claim.

8. We have heard the learned Sr. AR Shri Srinath Sadanala, perused the material on record and the orders of the authorities below. In the instant case, the sole substantive ground raised by the assessee is with regard to

addition of Rs.13,83,500/- made by the Assessing Officer u/sec.69A r.w.s. 115BBE of the Act as unexplained money in the hands of the assessee which has been confirmed by the learned CIT(A) during the course of first appellate proceedings. From careful perusal of order of the learned CIT(A), we find that the learned CIT(A) has sustained the addition by noting in para 6.9 of his order that *“the assessee has not furnished any evidence before me to controvert the findings of the Assessing Officer. Therefore, this addition is upheld”*. We find that as per sec.250(6) of the Income Tax Act, 1961, the learned CIT(A) has to give reasons for decision and adjudication thereof. Since the learned CIT(A) has not adjudicated the instant issue of addition of Rs.13,83,500/- made by the Assessing Officer u/sec.69A r.w.s. 115BBE of the Act as unexplained money in the hands of the assessee, by giving reasons for decision and adjudication thereof, we, therefore, remit the issue back to the file of learned CIT(A) with a direction to pass a reasoned order by giving reasons for decision and adjudication thereof and decide the issue on merits, by

calling the assessee to furnish his explanation. Needless to say, it is the sole risk and responsibility of the assessee to plead and prove his case in consequential proceedings before the learned CIT(A). Accordingly, the grounds of appeal raised by the assessee is allowed for statistical purposes.

9. In the result, appeal of the Assessee is allowed for statistical purposes.

Order pronounced in the open Court on 15.04.2025

Sd/-  
[VIJAY PAL RAO]  
VICE PRESIDENT

Hyderabad, Dated 15<sup>th</sup> April, 2025

VBP

Copy to

Sd/-  
[MANJUNATHA G]  
ACCOUNTANT MEMBER

1.	Kishore Kumar Raju Muppala, ACR Towers, 2 <sup>nd</sup> Floor, Sreenivasa Mangapuram, Beside Narayana Boys School, Perumallapalli PO, Kalur TQ, Mangapuram Road, TIRUPATHI – 517 505. Chittoor District. State of A.P.
2.	The DCIT, Chittoor. State of Andhra Pradesh
3.	The Pr. CIT, Tirupathi.
4.	The DR ITAT “A” Bench, Hyderabad.
5.	Guard File.

//By Order//

//True Copy//