

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“A” BENCH: BANGALORE**

**BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT  
AND  
SHRI PRAKASH CHAND YADAV, JUDICIAL MEMBER**

ITA No.504/Bang/2025
Assessment Year: 2019-20

Haresh Kumar Mehta 9, Fort Road, Belgaum Karnataka 590 016  <b>PAN NO : ADBPM5747Q</b>	<b>Vs.</b>	ACIT Central Circle Hubli
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	:	Ms. Richa Bakiwala, A.R.
<b>Respondent by</b>	:	Sri Balusamy N, D.R.

<b>Date of Hearing</b>	:	24.06.2025
<b>Date of Pronouncement</b>	:	26.06.2025

**O R D E R**

**PER PRAKASH CHAND YADAV, JUDICIAL MEMBER:**

Present appeal of the assessee is arising from the order of Id. CIT(A)-2 Panaji dated 29.2.2024 having DIN & Order No.ITBA/A/APL/CIT(A),Panaji-2/10406/2018-19 and relates to assessment year 2019-20.

**2.** Brief facts of the case as coming out from the orders of authorities below are that the assessee is an individual and engaged in the business of wholesale and retail trading of Tyres under the proprietorship concern M/s. Jyoti Tyres. For the year under consideration, the assessee has filed its return of income on 23.10.2019 declaring an income of Rs.94,17,230/-. A search and seizure action was carried out in the case of one Mr. Albert Gottimukula on 30.4.2018. Simultaneously on the same date a survey was also carried out at the business premises of the assessee.

During the course of search, unaccounted cash was found from the premises of the searched person. Out of the said cash, an amount of Rs.36 lakhs was belonging to the assessee. It is an admitted fact that the assessee has owned this amount of Rs.36 lakhs. A statement u/s 132(4) of the Income Tax Act, 1961 (in short "The Act") of the assessee was also recorded, wherein the assessee has admitted the ownership of the cash found at the premises of the searched person. It is also admitted by the assessee that no withdrawals of such amount have been made by the assessee from his bank accounts. The only explanation on the assessee vis-à-vis source of this case is concerned is that the amount is receipt of sale accrued from trading of tyres. Besides this, gold coins of 60 gms. was also found at the premises of the assessee. The value of this gold coin has been assessed as 1,97,600/-. The AO added both these amounts as undisclosed income of the assessee and framed the assessment. The AO applying the provisions of section 115BBE of the Act levied 60% rate of the tax on these two amounts i.e. Rs.36 lakhs and Rs.1,97,600/-.

**3.** Aggrieved with the order of the AO, the assessee preferred an appeal before the Id. CIT(A). The assessee pointed out that the amount of Rs.36 lakhs are coming out from the business receipts of the assessee and so far as the gold coins is concerned, it would be treated as explained considering the status and size of the assessee as well as his family members. The assessee relied upon the CBDT Instruction No.1916 dated 11.5.1994. However, the Id. CIT(A) affirmed the view of the AO.

**4.** Aggrieved with the order of AO, the assessee has come up in appeal before us and reiterated the arguments made before the Id. CIT(A) and the AO. The main thrust of the argument of assessee's counsel is that the source of this Rs.36 lakhs was sale receipts from

tyres business and hence the same is taxable at normal rates instead of 60%.

**5.** Ld. D.R. appearing on behalf of the revenue argued that the assessee has filed the return of income on 23.10.2019 i.e. after the date of search, however could not disclosed this income in the return of income filed for the impugned year and the assessee has later on filed manual revised return disclosing the cash of Rs.36 lakhs and 60gms. gold as “other addition”. So, the act of the assessee is an afterthought.

**6.** We have heard the rival submissions and perused the materials available on record. This appeal was earlier filed with Panaji Bench and the Panaji Bench vide its order dated 26.6.2021 dismissed the appeal of the assessee with a liberty to file the appeal before the Bangalore Bench, therefore, the delay happened in the filing of appeal is hereby condoned.

**6.1** Coming to the merits of the case, it is an admitted position of fact that during the course of search & survey, this receipt of Rs.36 lakhs has not been found mentioned in the books of the assessee. Further, the assessee has not even disclosed this while filing the original return, which has been filed much after the date of search and survey. It is pertinent to note that neither in survey nor in search proceedings at the premises of third party any cogent material has been recovered which would show that the source of this amount is the sale receipts of tyres. Therefore, we see no hesitation in confirming the view of the AO to tax this amount at 60%. So far as the judgements relied upon by the counsel for the assessee, in all these cases, it is admitted position of fact that the assessee has duly surrendered that amount and offered the same in the return of

income in response to the notice u/s 153A & 153C of the Act as the case may be.

**6.2** Further, reliance of the assessee on the CBDT Instruction No.1916 is concerned, that instruction has no relevance because that instruction is not related to the gold coins rather related to the jewellery, ornaments of the ladies and gents. Therefore, we find no reason to disturb the order of ld. CIT(A) and AO.

**7.** In the result, appeal of the assessee stands dismissed.

Order pronounced in the open court on 26<sup>th</sup> June, 2025

**Sd/-**  
**(Prashant Maharishi)**  
**Vice President**

**Sd/-**  
**(Prakash Chand Yadav)**  
**Judicial Member**

Bangalore,  
Dated 26<sup>th</sup> June, 2025.  
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

**Asst. Registrar,**  
**ITAT, Bangalore.**