आयकर अपीलीय अधिकरण, विशाखापटणम पीठ में
IN THE INCOME TAX APPELLATE TRIBUNAL
Visakhapatnam Bench

श्री रवीश सूद, माननीय न्यायिक सदस्य एवं श्री एस. बालकृष्णन, माननीय लेखा सदस्य
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER
AND
SHRI BALAKRISHNAN. S, HON'BLE ACCOUNTANT MEMBER,

आयकरअपीलसं./**I.T.A.No.135/Viz/2025**
(निर्धारण वर्ष/ **Assessment Year: 2017-18)**

Ganesh Kumar Paidi, R/o.Vijayawada. PAN : ARCPP5208N	*Vs.*	The Income Tax Officer, Ward – 2(4), Vijayawada.
(अपीलार्थी/ Appellant)		**(प्रत्यर्थी/ Respondent)**

करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri C. Subrahmanyam (Hybrid)
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Dr. Aparna Villluri, Sr.DR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	19.08.2025
घोषणा की तारीख/ Date of Pronouncement	:	26.08.2025

O R D E R

प्रति रवीश सूद, जे.एम./**PER RAVISH SOOD, J.M.**

The present appeal filed by the assessee is directed against the order passed by the Commissioner of Income-Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 27.06.2024, which in turn arises from the order passed by the Assessing Officer (for short "A.O.")

u/s 143(3) of the Income Tax Act, 1961 (for short "the Act") dated 24.12.2019 for A.Y. 2017-18. The assessee has assailed the impugned order on the following grounds of appeal before us:

> "1. That on the facts and circumstances of the case and in law, the orders passed u/s 143(3) of the Income Tax Act, 1961, dt. 24.12.2019, as upheld by the Ld. CIT(A), NFAC vide orders passed u/s 250 of the Income Tax Act, dt. 27.06.2024, are contrary to the facts of the case and the provisions of law.
>
> 2. The Ld. CIT(A) erred in law and on facts by not properly considering the submissions made by the assessee regarding the nature of deposits in the bank account. The Ld. CIT(A) failed to appreciate that a substantial portion of these deposits represents sales proceeds from the assessee's regular business activities and, to a certain extent, redeposits of earlier cash withdrawals. The rejection of this explanation without proper verification is arbitrary, unjustified, and contrary to settled legal principles.
>
> 3. The Ld. CIT(A) failed to examine the case from the correct perspective, considering that the assessee is engaged in business and derives income primarily from business activities. It is a settled principle of taxation that in the case of business-related deposits, only the element of profit embedded therein is subject to taxation. The Ld. CIT(A), instead of applying the correct legal position, upheld the entire amount as unexplained without making any allowance for the business nature of transactions, thereby resulting in an excessive and arbitrary addition.
>
> 4. The Ld. CIT(A) grossly erred in law and on facts by summarily upholding the findings of the Assessing Officer without taking due cognizance of the facts, circumstances, and explanations provided by the assessee. The Ld. CIT(A) failed to exercise independent the assessee's business, thereby rendering the appellate order perverse and unsustainable in law.
>
> 5. For these and other reasons that may be urged at the time of hearing, the appellant prays that the orders passed u/s 250 of the Income Tax Act be set aside and the additions made by the Assessing Officer be deleted."

2. Also, the assessee has raised an additional ground of appeal that reads as under:

> "The Finance Act 2017 introduced an amendment to Section 115BBE of the IT Act, which set a higher tax rate of 60% through the Taxation (Second Amendment) Act, 2016. This amended rate is applicable only for assessments conducted from 01.04.2017 onward. Therefore, it is not permissible to apply the revised rate to the assessment year in question."

As the assessee by raising the aforesaid additional ground of appeal, has sought our indulgence for adjudicating a legal issue which would not require looking any further beyond the facts available on record, therefore, we have no hesitation in admitting the same. Our aforesaid view is fortified by the judgment of the **Hon'ble Supreme Court** in the case of **National Thermal Power Company Ltd. Vs. CIT (1998) 229 ITR 383 (SC).**

4. Shri C. Subrahmanyam, C.A., the learned Authorized Representative (for short "Ld.AR") for the assessee, at the threshold of hearing of the appeal, submitted that there is a delay of 182 days involved in the filing of the present appeal before the Tribunal. Elaborating on the reasons leading to the delay, the Ld. AR submitted that the same had crept in for the reason that the assessee during the relevant period had met with an accident and suffered an injury. The Ld. AR to buttress the aforesaid claim has taken us through the application filed by the assessee seeking condonation of the delay involved in filing of the present appeal that was accompanied with an affidavit and a medical certificate. The Ld. AR has submitted that as the delay in filing of the appeal has crept

in for bonafide reasons and not for any malafide conduct or lackadaisical approach of the assessee appellant, therefore, the same, in all fairness, be condoned.

5. Dr. Aparna Villuri, the learned Senior Departmental Representative (for short "Ld. DR") objected to the seeking of the condonation of the delay in filing of the appeal by the assessee. The Ld. DR submitted that as the delay involved in filing the present appeal is inordinate, therefore, the same does not merit to be condoned.

6. We have given thoughtful consideration to the facts leading to the delay in filing the present appeal by the assessee, in the backdrop of the application filed by the assessee seeking condonation of delay, along with the supporting medical certificate and affidavit. We find that there are justifiable grounds explaining the same. Our aforesaid view that a liberal view should be adopted while considering the application filed by an appellant seeking condonation of the delay involved in filing the appeal is supported by the recent decision of the **Hon'ble Supreme Court** in the case of **Vidya Shankar Jaiswal vs. The Income Tax Officer, Ward-2, Ambikapur** in **Special Leave Petition (Civil) Nos. 26310-26311/2024, dated 31st January, 2025**. The Hon'ble Apex Court while setting aside the order of the Hon'ble High Court of

Chhattisgarh, which had approved the declining of the condonation of delay of 114 days by the Income-Tax Appellate Tribunal, Raipur Bench, had observed, that a justice-oriented and liberal approach should be adopted while considering the application filed by an appellant seeking condonation of the delay involved in filing the appeal. We thus, in terms of our aforesaid observations, condone the delay involved in the filing of the present appeal.

7. Succinctly stated, the assessee had filed his return of income for A.Y. 2017-18 on 31.07.2017, declaring an income of Rs. 7,21,890/-. Thereafter, the case of the assessee was selected for scrutiny of assessment u/s 143(2) of the Act.

8. During the course of assessment proceedings, the A.O. observed that the assessee had during the subject year made cash deposits of Rs. 1,72,77,320/- in his bank account no.33118251335 held with State Bank of India. The A.O. further observed that the assessee in his return of income for the subject year had disclosed a total turnover of Rs. 1,00,00,000/- on which profit was determined @ 8% u/s 44AD of the Act at Rs. 8,00,000/-. The A.O. called upon the assessee to explain the source of the balance cash deposits of Rs. 72,77,320/- i.e. over and above the amount of his total turnover/sales of Rs. 1,00,00,000/-

deposited in his bank account during the year under consideration. Apart from that, the A.O. observed that the assessee had, during the demonetization period, deposited an amount of Rs. 1,18,000/- in Specified Bank Notes (SBNs) in his aforesaid bank account. As the assessee failed to come forth with any explanation regarding the source of the aforesaid cash deposits aggregating to Rs. 73,95,320/- (Rs. 72,77,320/- + Rs. 1,18,000/-), therefore, the A.O. held the same as having been sourced out of his unexplained money u/s 69A of the Act. Accordingly, the A.O. vide his order u/s 143(3) of the Act, dated 24.12.2019, determined the income of the assessee at Rs.81,17,210/-.

9. Aggrieved, the assessee carried the matter in appeal before the CIT(A), but without success. For the sake of clarity, the observations of the CIT(A) are culled out as under :

> "4.0 I have perused the assessment order and appeal documents filed by the assessee. In this case the assessee filed his return of income declaring total income of Rs. 7,21,890/. During the impugned year the assessee made cash deposits worth Rs. 1,77,17,320/- in his bank account maintained with SBI. During the assessment proceedings, the AO issued notices u/s. 143(2) and 142(1) to the assessee seeking explanation regarding sources of cash deposits. In response, the assessee submitted relevant documents. The AO issued notice u/s. 133(6) to the Bank and ascertained that the total cash deposits of Rs. 1,77,17,320/- were made in during the year and Rs. 1,18,000/-were made in specified bank notes (SBNs) during demonetization period. The AO noticed that the assessee declared turnover of Rs. 1,00,00,000/- in his return of income and did not provide explanation regarding cash deposits worth Rs. 72,77,320/-. Further, no explanation was provided for cash deposits of Rs. 1,18,000/- made during the demonetization period. Therefore, the AO completed the assessment proceedings and made addition of Rs. 73,95,320/- to the total income u/s. 69A of the Act.

5.0 in the appeal proceedings, the assessee was provided sufficient opportunities to make submission in support of the appeal. The relevant part of the submission is produced as following:

> 1. The appellant is dealer in tomatoes at Vijayawada. The modus operandi of the whole sale vegetable vendors is they obtain vegetable, tomatoes in the case of appellant from the villages in and around Chittor district. The tomatoes are obtained from dealers and/or aggregators. The tomatoes are then transferred to the wholesale market from Chittoor and sold at Vijayawada to other retailers.
>
> 2. The appellant does not have any other business other than buying and selling tomatoes The payments for purchase of tomatoes are all made through banking channels like cheque or through other banking means. The sales are made in the retail market to the retailers are all in cash. The cash obtained from the sale of tomatoes in the open market are deposited in the bank the payment to the sellers of tomatoes who are mostly located in Chittoor district are all made through banking channels.
>
> 3. The appellant deposited an amount of Rs. 1,77,17,320/-in his bank account bearing number 33118251335 with State Bank of India VMC Branch Vijaywada.
>
> 4. The deposits in the bank proceeds of the tomatoes in the retail market. A perusal of the bank statement would reveal that the deposits in the bank account are immediately followed by payments through bank to the persons from whom tomatoes are purchased. The deposits thus represents proceeds from the sale of tomatoes and the payments are with drawls are in the bank account mostly represents purchases and or minor withdrawals.
>
> 5. The appellant during the assessment year under consideration was lacking proper advice and without having the capacity to analysis bank statement taking the help of a part time account inadvertently estimated the turnover at Rs. 1,00,00,000/-. It is also to be appreciated that people in this line of business do not maintain any regular books of accounts.
>
> 6. The vegetable vendors including the appellant are all mostly uneducated and not fully conversant with the complicated provisions of the income tax act. They also do not have proper guidance to file the income tax returns and follow the assessment procedures.
>
> 7. The appellant in fact had appeared before the IT dept along with his part time accountant who had helped him to file the Income Tax Return. He was genuinely under the impression and given to understand by his accountant that no further appearance was needed. This was solely on account of ignorance of law and improper guidance. There was no malice or any intention to de-fraud the revenue.

8. The appellant at this point of time wishes to place on record certain additional evidence in the form of receipts for payments made to sellers of tomatoes it could be noticed that the payments have been made through proper banking channel. The appellant may please be permitted to furnish the additional evidence prays the same may be admitted under rule 46A of the Income Tax Act.

9. The assessing officer has not considered the above said factors and considered the entire deposits as unexplained cash deposits made under the provision of section 69A of the Income Tax Act, 1961.

10. The addition of Rs. 73,95,320/- includes an amount of Rs. 1,18,000/-representing deposits made during the month of November, 2016. It is submitted even though the sales were made earlier to 8th November, 2016, the sale proceeds were received subsequently from the retailers. The practice in this kind of trade is the goods are sold to the retailers who remit the sale consideration after they make the sales to the general public and collect cash. The fact is this is a commodity which is used by the general public, especially the poor who do not have means to digital payments. Therefore the retailers who sell it to general public as and when they realize cash which is deposited in the bank a perusal of the bank statement would reveal that except on 10th of Nov. 16 an amount of Rs. 75,000/- was deposited and 11th November an amount of Rs.30,000/- was deposited there are no other major deposits, therefore to treat the amount of Rs. 1,18,000/- deposit during the month of November as unexplained is not justified.

11. The point to be noted here by the assessing officer is the sales and purchases in the vegetable market, rytu bazaar are all carried out by word of mouth across the counter and there are no contracts or agreements entered into between the buyer and seller. The moment commodity passes on to the buyer and the consideration by and large by cash only is received by the seller the sale is complete. The application of sale of goods act and other acts quoted by the assessing officer in his order have not been taken keeping the type of market conditions in mind.

12. Because of mounting losses and unpredictable nature of the market which is heavily dependent upon the vagaries of weather the appellant had incurred losses and closed the business. The assessing Officer without considering the aforesaid factors has completed the assessment by making an addition of Rs. 73,95,320/-

Along with the written submission, the assessee also submitted copy of bills issued by the traders as additional evidence during the appeal proceedings. To verify the claim of the assessee, a remand report was called from the AO. The AO vide letter dated 18.10.2023 submitted the remand report. the AO stated the following:

> The assessee has been given opportunity of being heard and to submit information on or before 11.10.2023 through online, for which the

assessee has not submitted any information and not availed the opportunity of being heard. Therefore, the request of the assessee for submission of additional grounds may not be considered.

The remand report was forwarded to the assessee requesting to file a rejoinder. However, the assessee has not responded till date.

6.0 The assessee contended that he had only one source of income i.e. from selling vegetables and that the money received from sale of tomatoes was immediately transferred to the traders. Further, the assessee stated that all the transactions regarding sale of tomatoes were made through banking channel and there was no suppression of income. However, from the assessment order it is seen that the assessee made cash deposits of Rs. 1,77,17,320/- in the impugned year but declared a turnover of Rs. 1,00,00,000/-. The assessee failed to provide a valid explanation for the difference in turnover reported and the cash deposited during the assessment proceedings. Even in the appeal proceedings, the assessee though submitted some copies of bills issued by a supplier i.e. Jitendra Vegetable Company, Chittor to prove genuineness of the transactions, did not respond to the opportunity provided by the AO to verify the additional evidence in the remand proceedings. Hence, the genuineness of the bills cannot be ascertained and the claim of the assessee cannot be accepted. In view of this, the addition of difference amount of Rs 72.77,320 is upheld.

7.0 Regarding the addition of Rs. 1,18,000/- deposited during the demonetization period, the assessee submitted that the deposits were made as part of his business receipts and do not form part of unexplained income. However, it is relevant to note that the transactions in SBN's were banned in demonetization period except under prescribed circumstances. Therefore, the submissions of the assessee that the cash deposited in that period related to his business receipts is not tenable. The SBN's ceased to be the legal tender and therefore any submissions of the assessee that the cash deposited were out of business receipts during the demonetization are liable to be rejected unless under specific conditions and circumstances.

In view of this, I believe the action of the AO in bringing to tax, the unexplained money of Rs. 73,95,320/- u/s. 69A cannot be faulted. Hence, the grounds of appeal are dismissed and addition of Rs. 73,95,320/- is upheld.

In result, the appeal is dismissed."

10. The assessee, being aggrieved with the order of the CIT(A), has carried the matter in appeal before us.

11. We have heard the learned Authorized Representatives of both parties, perused the orders of the lower authorities and the material

available on record, as well as considered the judicial pronouncements that have been pressed into service by them to drive home their respective contentions.

12. The learned Authorized Representative (for short "Ld.AR") for the assessee, at the threshold of hearing of the appeal, submitted that as per the instructions, he does not seek to press ground nos.1 to 5, and will confine his contentions only regarding the additional ground of appeal. Considering the contention of the ld.AR, the **Grounds of Appeal nos.1 to 5** are dismissed as not pressed.

13. Apropos the additional ground of appeal raised by the assessee, we find that he has assailed the application by the A.O. of the higher rate of tax of 60% as contemplated under the post-amended 115BBE of the Act to the impugned addition of Rs. 73,95,320/- made by the A.O. under Section 69A of the Act.

14. The ld. A.R at the threshold of hearing submitted that the A.O. had grossly erred in law and on facts of the case in applying the enhanced 60% rate of tax to the impugned addition of Rs. 73,95,320/- made in the case of the assessee for the subject year i.e AY 2017-18. The ld.AR submitted that the applicability of the post-amended Section 115BBE(1) of the Act, i.e as had been made available on the statute vide the

Taxation Laws (Second Amendment) Act, 2016, dated 15.12.2016 w.e.f. 01.04.2017 was applicable to the transactions carried out from 01.04.2017 onwards and not to those prior to the said cut-off date. The ld. AR to buttress his aforesaid contention had relied upon the order passed by the Tribunal in the case of Sathi Mangayamma Vs. Income Tax Officer, Ward-2, Kakinada, ITA No.119/Viz/2025 dated 30.06.2025. Elaborating on his contention, the ld.AR submitted that the Tribunal vide its aforesaid order, had necessary deliberations on the conflicting decisions of Hon'ble High Court of Kerala in the case of Maruthi Babu Rao Jadav Vs. ACIT, Central Circle – 1, Kozhikode, W.A.No.984/2019 dated 23.09.2020, and that of the Hon'ble High Court of Madras in the case of S.M.I.L.E Microfinance Limited Vs. ACIT, WP (MD) No.2078 of 2020 dated 19.11.2024, had concluded that the revenue is empowered to impose 60% of tax for the transactions carried out from 01.04.2017 onwards and not prior to the said cut-off date. The ld. A.R., based on his aforesaid contention, submitted that the saddling the assessee with a higher rate of tax liability of 60% by the A.O., i.e as had been made available on the statute by the post-amended Section 115BBE of the Act cannot be sustained and be vacated.

15. Per contra, the learned Senior Departmental Representative (for short "Ld. DR") vehemently objected to the aforesaid contention of the ld.AR. The ld. DR submitted that the Taxation Laws (Second Amendment) Act, 2016 has increased the tax rate of Section 115BBE from 30% to 60% (plus surcharge and cess w.e.f. 01.04.2017), which, thus, was applicable from A.Y. 2017-18 onwards. The ld. DR in support of her aforesaid contention has relied upon the following judicial pronouncements :

1. Maruthi Babu Rao Jadav Vs. ACIT
(2024) 171 taxmann.com 463 (Kerala).

2. Spectra Equipment (P.) Ltd. Vs. Income Tax Officer
(2025) 211 ITD 61 (Hyderabad-Trib)

3.Chandana Garments Private Limited Vs. Pr.CIT
(IT Appeal No.125(Ind) of 2022, dated 02.12.2022)

4. Dy.Commissioner of Income Tax Vs. Skate Trades and Agencies Pvt. Ltd
(ITAT Mumbai, 16th April, 2025)

5. Suganthi Shree Anbumani
(ITA No.184/Chny/2021)

16. We have given our thoughtful consideration to the contentions advanced by the learned Authorized Representatives of both parties in the backdrop of the orders of the lower authorities.

17. Controversy involved in the present appeal lies in a narrow compass, i.e. as to whether or not the enhanced rate of tax liability contemplated in the post-amended Section 115BBE of the Act, as had been made available on the statute vide the Taxation Laws (Second Amendment) Act, 2016, dated 15.12.2016 w.e.f 01.04.2017 will apply to A.Y. 2017-18 i.e. the subject year under consideration before us. We find that the issue involved in the present appeal is squarely covered by the order passed by the Tribunal in the case of Sathi Mangayamma Vs. Income Tax Officer, Ward-2, Kakinada (supra), wherein the Tribunal after considering the aforesaid conflicting judgement of the Hon'ble High Court of Kerala in the case of Maruthi Babu Rao Jadav Vs. ACIT (supra) and that of Hon'ble High Court of Madras in the case of S.M.I.L.E Microfinance Limited Vs. ACIT (supra), had respectfully followed the judgment of the Hon'ble High Court of Madras in the case of S.M.I.L.E Microfinance Limited Vs. ACIT (supra) and concluded that the enhanced rate of tax liability contemplated in the post-amended Section 115BBE of the Act will be applicable from 01.04.2017 onwards and not prior to the said cut-off date. For the sake of clarity, the observations of the Tribunal are culled out as under :

> "16. We shall now deal with the Ld. AR's claim that the A.O. had erred in levying tax as per the special rates contemplated u/s 115BBE of the Act i.e. @60% The Ld.AR submitted that as the amended provisions of Section

115BBE had been made applicable only from A.Y. 2018-19 and onwards, therefore, there was no justification for the A.O. to have applied the same to the addition made in the hands of the assessee for the year under consideration i.e. A.Y. 2017-18. The Ld. AR to support his aforesaid contention relied on the judgment of the Hon'ble High Court of Madras in the case of S.M.I.L.E Microfinance Limited Vs. The Assistant Commissioner of Income-tax, WP (MD) No. 2078 of 2020, dated 19.11.2024 and the order of the Tribunal in the case of Manju Vani Chigurupati Vs. ACIT, Circle 2(1), Vijaywada, ITA No. 363/Viz/2024, dated 07.03.2025.

17. We have thoughtfully considered the aforesaid claim of the Ld. AR in the backdrop of the judicial pronouncements relied upon by him. Before proceeding any further, we may herein observe that Section 115BBE of the Act was substituted by the Taxation Laws (Second Amendment) Act, 2016 w.e.f. 01.04.2017. Prior to the substitution, sub-section (1) of Section 115BBE read as under:

> "(1) Where the total income of an assessee—
>
> **(a)** includes any income referred to in section 68, 69, 69A, 69B, 69C or 69D and reflected in the return of income furnished under section 139; or
>
> **(b)** determined by the assessing officer includes any income referred to in section 68, 69, 69A, 69B, 69C or 69D, if such income is not covered under clause (a),
>
> the income-tax payable shall be the aggregate of—
>
> **(i)** the amount of income-tax calculated on the income referred to in clause (a) and (b), at the rate of thirty per cent.; and
> **(ii)** the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (i)."

Thereafter, the legislature in all its wisdom had vide the Taxation Laws (Second Amendment) Act, 2016 w.e.f. 01.04.2017 substituted the earlier provision which thereafter read as under:

> "(1) Where the total income of an assessee—
>
> **(a)** includes any income referred to in section 68, 69, 69A, 69B, 69C or 69D and reflected in the return of income furnished under section 139; or
>
> **(b)** determined by the Assessing Officer includes any income referred to in section 68, 69, 69A, 69B, 69C or 69D, if such income is not covered under clause (a),

the income-tax payable shall be the aggregate of—

(i) the amount of income-tax calculated on the income referred to in clause (a) and clause (b), at the rate of sixty per cent; and

(ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the amount of income referred to in clause (i).”

18. We find that on the issue of the year of applicability of the post-amended Section 115BBE(1) of the Act, i.e. as had been made available on the statute vide the Taxation Laws (Second Amendment) Act, 2016 w.e.f. 01.04.2017 there are conflicting views of the non-jurisdictional High Courts. On the one hand the **Hon’ble High Court of Kerala** in the case of **Maruthi Babu Rao Jadav Vs. The Assistant Commissioner of Income-tax, Central Circle 1, Kozhikode, WA No. 984 of 2019, dated 23.09.2020** while dealing with the issue as to whether or not the enhanced rate of tax liability contemplated in the post-amended Section 115BBE of the Act as made available on the statute vide the Taxation Laws (Second Amendment) Act, 2016, dated 15.12.2016 w.e.f. 01.04.2017 will apply to Assessment Year 2017-18, has answered in the affirmative; but on the other hand the **Hon’ble High Court of Madras** in the case of **S.M.I.L.E Microfinance Limited Vs. The Assistant Commissioner of Income-tax, WP (MD) No. 2078 of 2020, dated 19.11.2024**, has after referring to the Taxation Laws (Second Amendment) Bill, 2016, inter alia, concluded that the revenue is empowered to impose 60% rate of tax for the transactions from 01.04.2017 onwards and not prior to the said cut-off date. It was further observed by the High Court that for the prior transactions the revenue is empowered to impose only 30% rate of tax.

19. Considering the aforesaid conflicting views of the non-non-jurisdictional High Courts, we are guided by the judgment of the **Hon’ble High Court of Bombay** in the case of **K. Subramanian & Ors. Vs. Siemens India Ltd. & Anr. (1985) 156 ITR 11 (Bombay)** that in case of conflicting views of the non-jurisdictional High Courts the view that was favorable to the assessee and not against him is to be adopted. We thus, based on the aforesaid position of law respectfully follow the view taken by the Hon’ble High Court of Madras in the case of S.M.I.L.E Microfinance Limited Vs. The Assistant Commissioner of Income-tax (supra), and direct the AO to determine the tax liability on the addition of Rs. 20 lac (supra) made in the hands of the assessee u/s 69A of the Act by applying the tax rate of 30% as was contemplated in the pre-amended Section 115BBE of the Act. The **additional ground of appeal** is allowed in terms of our aforesaid observations.

20. The **Grounds of appeal no(s) 1, 4 & 5** being general are dismissed as not pressed.”

18. We thus, respectfully follow the view taken by the Tribunal in the aforementioned case of Sathi Mangayamma Vs. Income Tax Officer, Ward-2, Kakinada (supra), and direct the A.O. to determine the tax liability on the addition of Rs. 73,95,320/- made in the hands of the assessee u/s 69A of the Act by applying the tax rate of 30% as was contemplated as per pre-amended Section 115BBE of the Act.

19. Resultantly, the appeal of the assessee is partly allowed for statistical purposes in terms of our aforesaid observations.

Order pronounced in the Open Court on 26th August, 2025.

Sd/- **(एस. बालकृष्णन)** **(S. BALAKRISHNAN)** **लेखा सदस्य/ACCOUNTANT MEMBER**	**Sd/-** **(रवीश सूद)** **(RAVISH SOOD)** **न्यायिक सदस्य/JUDICIAL MEMBER**

Hyderabad, dated 26.08.2025.
TYNM/sps

आदेशकी प्रतिलिपि अग्रेषित/ **Copy of the order forwarded to:-**

1.	निर्धारिती/The Assessee	:	Ganesh Kumar Paidi, D.No.67-11-13, Marrichettu, Darsipeta, Patamata, Vijayawada – 520010, Andhra Pradesh.
2.	राजस्व/ The Revenue	:	The Income Tax Officer, Ward – 2(4), Vijayawada.
3.	The Principal Commissioner of Income Tax, Visakhapatnam.		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, / DR, ITAT, Visakhapatnam.		
5.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Visakhapatnam