

आयकर अपीलीय न्यायाधिकरण में, हैदराबाद 'बी' बेंच, हैदराबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad "B" Bench, Hyderabad

श्री विजय पाल राव, माननीय उपाध्यक्ष एवं श्री मंजूनाथ जी, माननीय लेखा सदस्य
SHRI VIJAY PAL RAO, HON'BLE VICE PRESIDENT
AND
SHRI MANJUNATHA G, HON'BLE ACCOUNTANT MEMBER

आयकरअपीलसं./I.T.A.No.1984/Hyd/2025
(निर्धारण वर्ष/ Assessment Year: 2023-24)

Venkata Naga Mohan Rao Bhutaraju, R/o. Nizamabad. PAN : AGCPB5998A	Vs.	The Deputy Commissioner of Income-Tax, Nizamabad.
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri K.C. Devdas, C.A.
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Dr. Sachin Kumar, Sr. A.R.
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	26.03.2026
घोषणा की तारीख/ Date of Pronouncement	:	27.03.2026

ORDER

PER MANJUNATHA G., A.M :

This appeal filed by the assessee is directed against the order of the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [in short "NFAC"], Delhi, dated 10.09.2025, pertaining to the assessment year 2023-24.

2. The brief facts of the case are that, the assessee is a Doctor by profession, employed with Government Medical College, Nizamabad, filed his return of income for A.Y. 2023-24 declaring total income at Rs. 27,72,180/-. The case was selected for scrutiny to verify credit card payments. During the course of assessment proceedings, the A.O. called upon the assessee to file relevant details and explain source for credit card payments. In response, the assessee has submitted details of credit card expenses along with the cash flow statement for the financial year 2022-23. The A.O., on perusal of cash flow statement submitted by the assessee, observed that the assessee had shown opening cash balance of Rs. 19,91,554/- as on 01.04.2022 and closing cash balance of Rs.25,000/- as on 31.03.2022, as per the ITR filed for the assessment year 2023-24. Therefore, the difference between opening cash balance as on 01.04.2022 and closing cash balance as on 31.03.2022 of Rs. 19,66,554/- has been treated as unexplained money and the same has been added under Section 69A r.w.s. Section 115BBE of the Income Tax Act, 1961.
3. On appeal, the learned CIT(A) sustained the additions made by the A.O. for the reasons stated in the appellate order.

4. Aggrieved by the order of learned CIT(A), the assessee is now in appeal before us.

5. The learned counsel for the assessee, Shri K.C. Devdas, C.A. referring to cash flow statement filed by the assessee, submitted that the assessee is maintaining two sets of cash books, one for his salary income and income from other sources, and another for his personal affairs and the A.O. considering the cash balance of business as on 31.03.2022 and opening balance of personal capital account, observed that there is a difference and the same is treated as unexplained money of the assessee. However, the fact remains that if there is a difference between opening and closing cash balance, the same cannot be treated as unexplained money, because the assessee explained the said difference with personal cash flow statement. Therefore, he submitted that, the addition made by the A.O. should be deleted.

6. The learned counsel for the Revenue, Dr. Sachin Kumar, on the other hand, supporting the order of learned CIT(A) submitted that, as per the ITR filed by the assessee, the assessee had shown opening cash balance of Rs.19,91,554/- as on 01.04.2022 and

closing cash balance of Rs.25,000/- as on 31.03.2022 and opening capital balance of Rs. 19,91,554/-. The difference could not be explained. Therefore, the A.O. has rightly made the difference as unexplained money and the same should be upheld.

7. We have heard both parties, perused the material available on record and had gone through the orders of the authorities below. The A.O. made addition of Rs. 19,66,554/- towards the difference in cash balance as per cash flow statement submitted by the assessee and the relevant opening cash balance as on 01.04.2022 and the closing cash balance shown in the ITR filed for A.Y. 2023-24 (Financial Year 2022-23) and observed that there is a difference of Rs. 19,66,554/- which could not be explained by the assessee. It was the argument of the assessee that the assessee maintains separate set of cash flow statements, one for business and another for personal affairs, and the A.O. without considering the personal cash flow statement has arrived at the difference. Otherwise, there is no difference in cash balance as computed by the A.O., because the assessee was having sufficient cash in hand as on 01.04.2022 which is evident from the relevant cash book filed by the assessee. We find that, the assessee has furnished cash book extracts from

01.04.2021 to 31.03.2023. As per cash book filed by the assessee, the closing balance as on 31.03.2022 was at Rs. 19,91,554/- and the same has been carried forward as on 01.04.2022. Therefore, the observation of the A.O. that there is a difference in cash balance when compared to ITR, is incorrect. In the present case, the A.O. without considering the personal cash flow statement of the assessee has arrived at a difference and therefore, in our considered view, the A.O. has erred in making addition of Rs. 19,66,554/- towards the difference in cash balance as unexplained money of the assessee. The learned CIT(A) without appreciating the relevant facts, simply sustained the addition made by the A.O. Thus, we set aside the order of learned CIT(A) and direct the A.O. to delete addition made towards difference in cash balance of Rs. 19,66,554/- under Section 69A r.w.s. Section 115BBE of the Income Tax Act, 1961.

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

Order pronounced in the Open Court on 27th March, 2026.

Sd/- श्री विजय पाल राव (VIJAY PAL RAO) उपाध्यक्ष /VICE PRESIDENT	Sd/- (मंजूनाथ जी) (MANJUNATHA G.) लेखा सदस्य/ACCOUNTANT MEMBER
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Hyderabad, dated 27.03.2026.
TYNM/sps

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

1.	निर्धारिती/The Assessee	:	Venkata Naga Mohan Bhuturaju, R/o.5-6-677, Khaleelwadi, Nizamabad.
2.	राजस्व/ The Revenue	:	The Deputy Commissioner of Income-Tax – 1, Nizamabad.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / DR, ITAT, Hyderabad		
5.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad