

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES “SMC”, HYDERABAD**

BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER

ITA No.71/Hyd/2024		
Assessment Year: 2017-18		
Sunandanadevi Madireddy, Hyderabad. PAN : BDQPM7642J	Vs.	The Income Tax Officer, Ward 9(1), Hyderabad.
(Appellant)		(Respondent)
Assessee by:	Sri P. Vinod, Advocate	
Revenue by:	Ms. Reema Yadav, Sr. AR.	
Date of hearing:	21/02/2024	
Date of pronouncement:	22/02/2024	

ORDER

PER LALIET KUMAR, J.M.

The appeal of the assessee for A.Y. 2017-18 arises from the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dt.15.12.2023 invoking proceedings under section 147 r.w.s. 144 of the Income Tax Act, 1961 (in short, “the Act”).

2. The grounds raised by the assessee read as under :

“ 1. On the facts and in the circumstances of the case, the order of the Id. CIT(A) is erroneous both on facts and in law.

2. The Ld. CIT(A) erred in sustaining the addition made by the AO of Rs. u/s.69A of the I.T. Act, 1961 on the alleged ground that there are balances available in the Appellant's bank account on 01.12.2016 and 03.03.2020, and that it is not the case of the Appellant that she does not want to keep cash in bank. The Id. CIT(A) failed to appreciate that the balances available balance on the above said dates was on account of cash deposited by the Appellant after announcement of demonetization.

3. The finding of the Id. CIT(A) that there are small withdrawals of cash as low as Rs.4,000 on 02.12.2016 for household expenses is incorrect. The Id. CIT(A) failed to appreciate that the Government/ RBI after the announcement has restricted large withdrawals and permitted only low withdrawals, and that was the reason for low cash withdrawals by the Appellant post 08.11.2016.

4. The Ld. CIT(A) failed to appreciate the alternate submissions of the Appellant that the deposits made into Andhra Bank is of joint account and that the entire deposits cannot be considered only in the hands of the Appellant.”

3. The brief facts of the case are that assessee, who is an individual, during the year under consideration, has made cash deposits during the demonetization period i.e. '09/11/2016 to 30/12/2016'. The assessee did not file her return of income for the relevant assessment year i.e., 2017-18. Hence, a notice u/s 148 of the Act was issued on 07/01/2020, after taking necessary approval and the same was served on the assessee through speed post. As there was no response from the assessee, another notice u/s 142(1) of the Act dated 29/09/2020 was issued to the assessee. In view of the change of incumbent, a notice u/s. 142(1) was again issued on 07/09/2021 requesting the assessee to submit the information as

called for. Since there was no compliance from the assessee, a final show cause notice was issued to the assessee on 23.09.2021, for which also assessee did not respond. Hence, in the absence of any details, like source and nature of the said cash, total cash deposits of Rs.15,21,000/- during the year was treated 'unexplained money' u/s 69A of the Act and taxed as per the provisions of Sec.115BBE. Thereafter, the Assessing Officer completed the assessment u/s 144 r.w.s 147 of the Act and passed order on 29.09.2021 assessing the total income at Rs.15,21,000/-. Assessing Officer also initiated penalty proceedings separately u/s 274 rws 271AAC(1) for making addition u/s 69A of the Act.

4. Feeling aggrieved with the order of Assessing Officer, assessee filed an appeal, which was later migrated to the Id.CIT(A), NFAC, Delhi, who dismissed the appeal of assessee.

5. Before me, the Id. AR submitted that the assessee, who is a retired teacher, aged about 82 years and pensioner had deposited a sum of Rs.15,21,000/- (Rs.12,71,000/- in Andhra Bank and Rs.2,50,000/- in the Bank of India) during the period of demonetization. Regarding the sources of the said cash deposits, the Id. AR stated that the assessee's only source of income was pension and that the assessee was in the habit of withdrawing the pension amount regularly from her bank account and that the cash deposited was out of such withdrawals. The Id. AR further submitted that being a joint account all the cash deposited does not belong to the assessee. The learned Authorized Representative urged that considering these valid explanations and taking into

account the age of the assessee, the addition made in the present case as unexplained money should be deleted.

6. On the other hand, Ld. D.R. relied upon the orders of lower authorities.

7. I have heard the rival contentions of both the parties and perused the material available on record. On perusal of the orders of lower authorities, the submissions made by the assessee, and the facts pertaining to the cash deposits, it is established that the assessee deposited Rs.15,21,000/- during the demonetization period. The assessee has put forth the explanation that, due to advanced age, these funds were set aside for emergency expenses such as medical needs, which appears plausible. It is also reasonable to accept that, as senior citizens, the assessee had been saving money for unforeseen circumstances. Taking into account the entirety of the facts and circumstances, I am of the opinion that the assessee, a retired lady teacher, merits some relief. While the assessee has satisfactorily explained the source of cash deposits amounting to Rs.4,90,000/- (which is equivalent to the amount withdrawn by her from April, 2015 to November, 2016), there remains a lack of explanation for the remaining sum. However, in the interest of justice and considering the totality of the facts and circumstances in this case, I find it appropriate to uphold the addition to the extent of Rs.10,31,000/- and thereby delete the addition of Rs.4,90,000/-. Accordingly, an addition to an extent of Rs.10,31,000/- is confirmed and the remaining amount of

Rs.4,90,000/- is deleted. Thus, the appeal of the assessee is partly allowed.

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

Order pronounced in the Open Court on 22nd February, 2024.

Sd/-

(LALIET KUMAR)
JUDICIAL MEMBER

Hyderabad, dated 22nd February, 2024.

TYNM/sps

Copy to:

S.No	
1	Sunandanadevi Madireddy, H.No.11-11-42, Road No.1, Indira Nagar Colony, Saroornagar, Hyderabad – 500035, Telangana.
2	The Income Tax Officer, Ward 9(1), Hyderabad.
3	PCIT, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order