

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad

BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं /ITA No.51/Hyd/2025
(निर्धारण वर्ष/Assessment Year:2017-18)

Ms. Taj Sultana, Hyderabad. PAN:DGCP6804R	Vs.	Income Tax Officer, Ward-13(3), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Smt. S. Sandhya, Advocate	
राजस्व द्वारा/Revenue by::	Shri Rakesh Chintagumpula, SR-DR	
सुनवाई की तारीख/Date of hearing:	08/05/2025	
घोषणा की तारीख/Pronouncement:	09/05/2025	

आदेश/ORDER

PER MADHUSUDAN SAWDIA, A.M.:

This appeal is filed by Ms. Taj Sultana ("the assessee"), feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), dated 11.10.2024 for the A.Y. 2017-18.

2. The assessee has raised the following grounds of appeal :

" 1) The order of the learned CIT (A) is erroneous both on facts and in law;

2) The learned CIT (A) erred in confirming the addition made by the Assessing Officer when there are no such deposits in the said bank account.

3) The learned CIT (A) erred in confirming the addition of Rs.22,22,159/- out of Rs.25,33,159/- made by the Assessing Officer. The CIT(A) ought to have deleted the entire addition made by the Assessing Officer.

4) The learned CIT (A) ought to have held that all the deposits made into the bank account during demonetisation period is properly explained.

5) Any other ground/grounds that may be urged at the time of hearing.”

3. At the outset, it is seen that, there is a delay of 16 days in filing of this appeal for which the assessee has filed a condonation petition along with affidavit explaining the reasons for such delay. After considering the contents of the condonation petition and after hearing the learned Departmental Representative (“Ld. DR”), the delay of 16 days in filing of this appeal is condoned and the appeal is admitted for adjudication.

4. Brief facts of the case are that, the assessee is an individual and a government employee. The assessee did not file her return of income for the A.Y. 2017-18. During the course of proceedings, the learned Assessing Officer (“Ld. AO”) found that the assessee had deposited cash of Rs.27,83,159/- in her bank account with the State Bank of India during the relevant financial year. Consequently, notice u/s 142(1) of the Act was issued by the Ld. AO on 14.12.2017 to the assessee for filing return of

income. In response, the assessee, submitted her reply before the Ld. AO vide letter dated 16.09.2019, explaining the sources of the said cash deposits. The Ld. AO accepted only Rs. 2,50,000 as explained and treated the remaining cash deposit of Rs. 25,33,159/- as unexplained income u/s 69A of the Act and completed the assessment u/s 144 of the Act on 17.12.2019.

5. Aggrieved with the order of Ld. AO, the assessee preferred an appeal before the Ld. CIT(A). The Ld. CIT(A) accepted the explanation to the extent of Rs. 3,11,000/- on account of sale of land and sustained the balance addition of Rs.22,22,159/- made by the Ld. AO.

6. Aggrieved with the order of Ld. CIT(A), the assessee is in appeal before us. We have heard the rival contentions and also gone through the record in the light of the submissions made by either side. We have gone through the submission of the assessee before the Ld. CIT(A), which has been captured by the Ld. CIT(A) at para no. 4 of his order, which is to the following effect :

“ 4. During the course of appellate proceedings the appellant submitted as under: With reference to the above cited subject, and my earlier e submissions regarding credits to my bank account during the FY 2016-17, which were added to my income amounting to Rs. 33,75,759, as unexplained income u/s 69A, in the assessment order dated 17-12-2019, by the Learned Income Tax Officer ward 13(4), for the Asst Year 2017-18, I am furnishing hereunder my explanations with documentary

evidence to proof, that the credits in bank account are from salary, mortgage loan taken, and chit amount lifted, as per reporting heads of income.

1. Income from Salary 8,38,731-00

I am a Government employee and getting my salary from state Govt as per Bank Statement and form 16 Which is also showing chapter VI deductions and TDS, the return of income could not be filed since the Tax deducted from the salary was not filed by the Employer in TDS return and hence the tax deducted was Not showing up in the tax portal.

2) Income from other sources

1. Mortgage loan taken from SBI amounting to Rs. 16,15,000/- was credited to my SB Acct On 21/06/2016 and a copy of confirmation Letter from the SBI Gruhakalpa Branch dated 20-02-2020 & also loan Statement bearing No 62470467079 is attached for ready reference 16,15,000-00/-.

b) Margadarsi chit amount lifted on 27/12/2016 Deposited to my savings bank account with State Bank of India, statement of chit is Attached herewith for your ready reference 8,93,140-00.

c) Savings bank account interest 26,193-00

Total 25,34,333-00

And with regard to the cash deposits during the demonetization period I had explained in my earlier submissions, that the amount which I received as NRE gifts from my son who is an NRI had remitted funds from abroad for my personal use, which was at my hand and the same were deposited to my savings bank account during demonetization period.

Secondly, my husband had sold away property at Nadergul, for a consideration of Rs. 3,11,000/- which was received in cash was at my hand and deposited to my SB account, since my husband did not have any bank account, and also rental income of my husband's property which was in the form of cash at hand was also deposited to my bank account during demonetization.

In view of the above facts, I submit that the above amounts are not unexplained money u/s 69A, unfortunately during the assessment proceedings period I was out of station to visit ailing family member, and could not produce the required documents in support for verification, however explanations were given in writing, resulting in the amounts were treated as un-explained money u/s 69A and was added to my income returned charged under special rate u/s 115BBE which has resulted in tax demand of Rs. 33,26,113/-.

I request your Honour to kindly take a lenient view, and consider my submissions and delete the demand raised for payment of tax since I am a law abiding citizen, and paying my taxes regularly."

7. We have gone through the final observation of the Ld. CIT(A), placed at para no. 6 of his order, which is to the following effect :

" 6. Decision: I have carefully perused the facts of the case and the assessment order. The assessment order passed by the AO 13(4), HYDERABAD under section 144 of the Income-tax Act, 1961 stands as a well-reasoned and comprehensive document, thoroughly discussing the issues involved and the reasons behind rejecting the appellant's contentions. However, the submission of the appellant as regards the source of cash deposit can be partly considered with respect to consideration of Rs. 3,11,000/- claimed as received in cash on account of sale of property. In the

circumstances, relief is granted to the extent of Rs. 3,11,000/-. The balance addition of Rs. 22,22,159/- is upheld.”

8. On perusal of above, we found that, before the Ld. CIT(A) the assessee had submitted various sources for the cash deposits, including salary income, rental income of her husband, loan availed, and gifts from her son, in addition to the sale of property. However, the Ld. CIT(A) has given relief only to the extent of Rs. 3,11,000 towards sale proceeds and has not adjudicated upon the other explanations furnished by the assessee. Therefore in our considered opinion, the order passed by the Ld. CIT(A) is not a speaking order and suffers from lack of reasoning, which is an essential ingredient of quasi-judicial adjudication.

9. In view of the above, we deem it fit to remand the matter back to the file of the Ld. CIT(A) with a direction to consider all the sources of cash deposits explained by the assessee and to pass a speaking and reasoned order after granting proper opportunity of being heard to the assessee.

10. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 9th May, 2025.

Sd/-

Sd/-

(RAVISH SOOD)
JUDICIAL MEMBER

(MADHUSUDAN SAWDIA)
ACCOUNTANT MEMBER

Hyderabad.

Dated: 09.05.2025.

** Reddy gp*

Copy of the Order forwarded to :

1.	Ms. Taj Sultana, 12-2-830, Flat No.102, Ushodaya Apartments, Mehdipatnam, Hyderabad-500028
2.	ITO, Ward 13(3), Hyderabad.
3.	Pr.CIT, Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,