

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.221/Hyd/2025  
(निर्धारण वर्ष/Assessment Year:2021-22)

Shri Shravan Kumar Reddy Panyala, Hyderabad. PAN:AHUPP7004J	Vs.	Asst. Commissioner of Income Tax, Central Circle-2(2), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Shri G. Srinivasa Rao, C.A.	
राजस्व द्वारा/Revenue by::	Shri Abhinav Pitta, SR-DR	
सुनवाई की तारीख/Date of hearing:	14/05/2025	
घोषणा की तारीख/Pronouncement:	16/05/2025	

**आदेश/ORDER**

**PER MADHUSUDAN SAWDIA, A.M.:**

This appeal is filed by Shri Shravan Kumar Reddy Panyala ("the assessee"), feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals)-12, Hyderabad ("Ld. CIT(A)"), dated 27.12.2024 for the A.Y. 2021-22.

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

1. That the Learned Commissioner of Income Tax (Appeals)-12, Hyderabad erred in passing the impugned appellate order by sustaining the addition made by the Assessing Officer of Rs. 14,96,000/- u/s 69A of the Act without appreciating the fact that the appellant has the sufficient disclosed sources for the cash intercepted in his hands and hence the said addition is liable for deletion.
  2. That both the officers, the Learned Commissioner of Income Tax (Appeals)-12, Hyderabad and the Asst. Commissioner of Income Tax, Central Circle-2(2), Hyderabad, erred in upholding that the appellant had not submitted the supporting documentary evidences for the professional receipts and cash on hand without appreciating the fact that the appellant has filed the income tax return for the impugned asst. year and for the previous five years u/s 44ADA of the Act thereby no books of accounts are required to be maintained by the appellant and further the income returned under the head profession is accepted by the Learned Assessing Officer for the impugned asst. year and for the previous five years without making any variations to the returned income.
  3. The appellant craves leave to add/alter/ modify the grounds of appeal as may be required for proper adjudication of the case.
3. The brief facts of the case are that the assessee is an individual engaged in the medical profession. The assessee has filed his Return of Income ("ROI") for the A.Y. 2021-22 on 01.03.2022 declaring total income of Rs.11,25,000/-. Cash amounting to Rs.14,96,000/- ("impugned cash") belonging to the assessee was seized by Police authorities of Narayanaguda Police Station,

Hyderabad and the same was acquired by the revenue on 30.10.2020 u/s.132A of the Income Tax Act, 1961 ("the Act") from the Police authorities. Subsequently, the case of the assessee was selected for scrutiny assessment. During scrutiny proceedings, the Ld. AO sought explanation regarding the impugned cash. Being not satisfied with the explanation provided by the assessee, the Learned Assessing Officer ("Ld. AO") treated the impugned cash as unexplained money u/s.69A of the Act and added the same in the hands of the assessee. Accordingly, the Ld. AO passed the order u/s.143(3) of the Act on 29.03.2021 determining the total income at Rs.26,21,000/-.

4. Aggrieved with the order of Ld. AO, the assessee filed appeal before the Ld. CIT(A). The Ld. CIT(A) upheld the order of Ld. AO and dismissed the appeal of the assessee.

5. Aggrieved with the order of Ld. CIT(A), the assessee is in appeal before us. The Learned Authorised Representative ("Ld. AR") submitted that, the assessee has duly explained the source of the impugned cash by relying upon his personal savings, professional receipts and amounts received from his wife. The Ld. AR invited our attention to the bank statement of assessee's wife placed at page no.75 of the paper book, showing the cash withdrawal of Rs.3 lakhs on 29.10.2020 and submitted that, this withdrawal of Rs.3 lakhs formed part of the impugned cash. He further submitted that, the assessee has been

regularly filing income tax return and accumulated the savings over the years. He also submitted that, the assessee has filed his ROI for A.Y. 2017-18 to A.Y. 2021-22 u/s.44ADA of the Act and therefore, was not required to maintain books of account. The Ld. AR also presented before us, the summary of cash balance for the A.Y. 2015-16 to A.Y. 2021-22 and contended that the impugned cash was well within the accumulated savings as on 31.03.2020 of Rs.21,84,868/-. The Ld. AR also submitted that, the assessee could not produce any supporting evidence qua receipt of Rs.3 lakhs from his wife and his professional receipts before the revenue authorities. Therefore, the Ld. AR prayed for provision of one more opportunity, so that the assessee could produce all the relevant documentary evidences before the Ld. AO. Accordingly, the Ld. AR prayed before the bench to set aside the issue to the file of Ld. AO for consideration.

6. Per contra, the Learned Department Representative ("Ld. DR") relied on the order of revenue authorities and submitted that, the assessee has been inconsistent in his explanation regarding the source of the seized cash. It was pointed out that, during the statement recorded u/s.131 of the Act on 30.10.2020, the assessee claims that the impugned cash belongs to his personal savings and also included funds from a construction firm, in which his wife and father were partners. However, subsequently in a letter dated

06.11.2020, the assessee changed his stand and claimed that the cash represent professional receipts belonging to him and his wife. Again during assessment proceedings, the assessee submitted that, the cash was accumulated out of his personal savings, professional income and amount received from his wife. The Ld. DR further submitted that, the assessee failed to produce any documentary evidence in support of his submission. Therefore, there is no infirmity in the order passed by the revenue authorities. Accordingly, the Ld. DR prayed for dismissal of the appeal of the assessee.

7. We have heard the rival contentions and also gone through the record in the light of the submissions made by either side. We have observed that the assessee has given multiple explanations at different stages of the proceedings regarding the source of impugned cash of Rs.14,96,000/-. However, one common explanation of the assessee was that, the cash has been sourced from his accumulated savings and professional receipts. Before the Ld. AO, the assessee has also explained that Rs.3 lakhs has been sourced from withdrawal of his wife's bank account. We have gone through the bank statement of assessee's wife placed at page no.75 of the paper book and found that Rs.3 lakhs has been withdrawn on 29.10.2020. However, the assessee has not produced any confirmation from his wife stating that this cash was handed over to the assessee. Further, although the assessee has

submitted summary of accumulated cash balance, he has not filed any supporting documentary evidence for his professional receipts to substantiate the availability of cash. Be that as it may, now the assessee is ready to produce all such documentary evidence in support of their contentions and get the matter disposed of on merits. The highest that would happen by allowing an opportunity to the assessee is that a cause would be decided on merits. With this view of the matter and considering the principle of natural justice, we are of the view that an opportunity should be given to the assessee. Accordingly, we set aside the impugned order and restore the issue to the file of the Ld. AO for passing a fresh order on merits after affording the opportunity of hearing to the assessee. Grounds of appeal are answered accordingly.

8. In the result, the appeal of the assessee is allowed for statistical purpose.

**Order pronounced in the open Court on 16th May, 2025.**

**Sd/-**

**(RAVISH SOOD)**  
JUDICIAL MEMBER

**Sd/-**

**(MADHUSUDAN SAWDIA)**  
ACCOUNTANT MEMBER

Hyderabad,  
Dated: 16.05.2025.

\* *Reddy gp*

**Copy of the Order forwarded to :**

1.	Shri ShravanKumar Reddy Panyala, Plot No.1349-B, Opp. ;BSNL, Telephone Exchange, Road No.68, Jubilee Hills, Hyderabad.
2.	ACIT, Central Circle 2(1), Hyderabad.
3.	Pr.CIT (Central), Hyderabad.
4.	DR, ITAT, Hyderabad.
5.	Guard file.

BY ORDER,