

**आयकर अपीलीय अधिकरण, हैदराबाद पीठ**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'DB-B' Bench, Hyderabad**

**Before Shri Vijay Pal Rao, Vice-President**  
**A N D**  
**Shri Madhusudan Sawdia, Accountant Member**

आ.अपी.सं / **ITA No.476/Hyd/2025**  
(निर्धारण वर्ष / Assessment Year: 2017-18)

Shri Satya Niranjana Murthy Alla, Hyderabad PAN:ABQPA5777R (Appellant)	Vs.	Income Tax Officer Ward - 1 Sangareddy (Respondent)
निर्धारिती द्वारा/Assessee by:		Shri V. Sriramnivas, Advocate
राजस्व द्वारा/Revenue by:		Dr. Sachin Kumar, Sr.AR
सुनवाई की तारीख/Date of hearing:	10/09/2025	
घोषणा की तारीख/Pronouncement:	17/09/2025	

**आदेश/ORDER**

**Per Vijay Pal Rao, Vice President**

This appeal by the assessee is directed against the order dated 19/07/2024 of the learned CIT (A)/ADDL/JCIT(A)-5 Mumbai, for the A.Y.2017-18.

2. There is a delay of 170 days in filing the present appeal. The assessee has filed a petition for condonation of delay which is supported by an affidavit of the assessee. The learned Counsel for the assessee has submitted that the assessee is a

retired senior citizen and having only pension income. The assessee was not aware about the impugned order passed by the learned CIT (A) and came to know only when an SMS alert from the Department was received regarding the settlement of tax dispute under the Direct Tax Vivad-se-Vishwas Scheme (DTVSV) scheme in the month of March, 2025. He further submitted that the Assessing Officer has made the addition of Rs.8,87,948/- on account of deposit in the bank account of the assessee, whereas the source of the said deposit was already explained by the before the learned CIT (A) by furnishing the bank account statement of the assessee as well as the relevant details of withdrawals by the assessee which was redeposited during the demonetization period. The learned CIT (A) has confirmed the additions made by the Assessing Officer for want of any documentary evidence to establish the genuineness of the transaction whereas the assessee produced all the relevant documents and details to explain the source of the deposits in the bank account. The learned Counsel for the assessee has further submitted that if the delay in filing the appeal is not condoned, the assessee would suffer an irreparable loss as the Assessing Officer has made addition of the entire deposits in the bank account without considering the source of the said deposits as withdrawal from the bank account. He has referred to the medical record of the wife of the assessee and submitted that the assessee was required to keep the cash for medical emergency of the wife and during the demonetization period, the cash was deposited in the bank account.

3. On the other hand, the learned DR has submitted that the assessee was very much aware about the proceedings pending before the learned CIT (A) and filed the reply from time to time and the last reply was filed on 05/07/2024, therefore, the assessee cannot take the plea of no knowledge of the impugned order passed by the learned CIT (A).

4. In rejoinder, the learned Counsel for the assessee has submitted that the Tax Consultant has filed the reply as well as represented before the learned CIT (A). However, the impugned order was not served on the assessee and therefore, the assessee was not aware about the impugned order passed by the learned CIT (A).

5. We have considered the rival contentions as well as the relevant material available on record. The assessment order was passed by the Assessing Officer ex-parte u/s 144 of the Act thereby the entire deposits in the bank account of the assessee was assessed to tax u/s 69A of the I.T. Act as unexplained investment. The assessee explained the circumstances under which the assessee has withdrawn the cash from the bank account as to meet the emergency medical expenditure of the wife of the assessee undergoing the treatment of cancer. Therefore, in these circumstances when the assessee was attending the wife suffering from cancer and undergoing the treatment and in the absence of any record to show that the impugned order passed by

the learned CIT (A) was served upon the assessee, we do not find any reason to disbelieve the cause of the delay explained by the assessee that only in the month of March, 2025, the assessee received an SMS Alert Message from the Department for availing the benefit of DTVV scheme to settle the outstanding tax disputes. Accordingly, in the interest of justice, the delay of 170 days in filing the appeal is condoned.

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

The Order of the Commissioner of Income Tax Appeals (CIT-A) is erroneous and unjust on facts and in law on the following grounds:

- a. That, the impugned order passed by the Ld. Commissioner of Income Tax Appeals (CIT-A) is arbitrary in nature and passed against the principles of natural justice.
- b. That the impugned order is bad in the eyes of law and on facts.
- c. That, the impugned order passed by the Ld. Commissioner of Income Tax Appeals (CIT-A) are without proper considering the evidences and arguments of the Assessee.
- d. That, CIT (A) erred in confirming the orders passed by the AO, wherein the Assessing Officer has made an addition of Rs. 8,87,948/- which resulted a Tax liability of Rs. 8,71,135/-.
- e. That the CIT(A) has erred in passing the Impugned Order dated 19.07.2024 without considering the explanation and evidences given by the Assessee/Appellant herein about the Cash Withdrawals and Deposits made by him.
- f. That the CIT(A) has dismissed the Appeal filed by the Assessee/Appellant herein on mechanical grounds rather than in the interests of justice.
- g. That the CIT(A) even after noting the fact that the Assessee/Appellant herein is a senior citizen and his wife is suffering from Cancer and undergoing treatment for the same and the Assessee requires cash in hand in order to meet emergencies, has passed the Impugned Order confirming the addition of the AO. The passing of the Impugned Order by the CIT(A) is mockery the situation of the Assessee/Appellant.
- h. That, the Appellant herein craves to add/alter/withdraw the ground(s) at the time of hearing the appeal.

Date: 19/03/2025

Place: Hyderabad

  
Appellant

7. The learned Counsel for the assessee has submitted that the assessee has already explained the source of the deposits as withdrawal made from the bank account which was kept by the assessee for emergency medical requirement of cancer treatment of the wife, but once the demonetization was declared, the assessee deposited a sum of Rs.5,55,000/- on 10/11/2016. He has referred to the statement showing the details of withdrawals and deposits of cash in the bank account placed at page No.20 of the paper book as well as the bank account statement of the assessee where all the transactions of the withdrawal and deposits are reflected. He has further submitted that when there is no other source of income of the assessee except the pension income and the past savings, the source explained by the assessee cannot be denied. Thus, he has pleaded that the addition made by the Assessing Officer and confirmed by the learned CIT (A) should be deleted.

8. On the other hand, the learned DR has submitted that the assessee has not filed any return of income and also not produced any evidence before the Assessing Officer to explain the source of the cash deposits in the bank account. He has further submitted that the learned CIT (A) has also recorded the fact that the assessee failed to produce the evidence to substantiate the source of deposits in the bank account. The learned DR has referred to the bank account statement of the assessee and submitted that the explanation of the assessee that the cash was

kept for the medical emergency treatment of his wife is not acceptable when immediately after the deposits of Rs.5,55,000/-, the same was transferred to fixed deposit. He has relied upon the orders of the authorities below.

9. We have considered the rival contentions as well as the relevant material available on record. Before the Assessing Officer, the assessee has explained the source of the deposits as the earlier withdrawal from the bank account. These details including the copy of the bank account were also filed before the Assessing Officer as recorded in para 3 of the assessment order as under:

3. Vide the said show cause letter, dated 11.10.2019, the assessee has been informed that in the case of non-compliance the assessment will be completed as per the Best Judgement as per the Provisions of Section 144 of the I.T.Act,1961, considering the material available on record. In response to the said notice the assessee appeared on 15.10.2019 and sought further time to furnish return of income/explanation. Considering the request the case has been posted for hearing on 28.10.2019. However, the assessee appeared on 18.10.2019, filed a copy of the statement of bank account held by him with State Bank of India, BHEL Town Ship, Ramachandrapuram, Sangareddy District vide Account Bearing No. 52190542153 and stated that the sources of funds for the deposits made in his bank account held with APCOB [presently known as Telangana State Co-operative Apex Bank Ltd.] vide account bearing No.993500360001666 are out of withdrawals of Rs.5,00,000, made from his bank account held with SBI, BHEL Town ship on 04.03.2016, out of the closure proceeds of Term Deposit. He further stated that an amount of Rs.1,00,000/- deposited on 09.08.2016 in APCOB is out of withdrawal of Rs.1,70,000/- made on 02.08.2016 from the same bank, some other previous withdrawals made from the account and savings made by his wife and daughter. The assessee further stated that due to old age his wife could not go to the Bank and requested him to deposit her savings also in his bank account. When asked to furnish the proof/evidence substantiating his contention the assessee has stated that he is able to furnish proof only for the deposits made to the extent of Rs.6,00,000 and stated that he is not in a position to produce any other proof/evidence for the remaining deposits made.

10. Thus, the assessee clearly explained the source that there was a withdrawal of Rs.5,00,000/- from the SBI Account on 04/03/2016 out of which a deposit of Rs.1,70,000/- was made on 02/08/2016. The assessee also explained that due to his wife's old age, she could not go to the Bank and did not deposited the same in the bank account. Before the learned CIT (A), the assessee filed all the relevant details and evidence including the bank account statement as well as the detailed statement of the cash withdrawals and deposits. The learned CIT (A) has given the details of the reply filed by the assessee in para 3 of the impugned order as under:

**3.** During the course of appellate proceedings, notice u/s 250 of the Act was issued on 04/03/2020, 25/08/2020 and 26/02/2021. Thereafter, on change of incumbent, a fresh notice u/s 250 of the Act was issued. In response, the appellant filed his submission which is reproduced as under:

To  
The Commissioner of Income Tax (Appeals)  
Hyderabad – 2  
Signature Towers,  
Opp. Botanical Gardens  
Hyderabad.

Sir,

Sub: Submission of Information in the case of Mr. SATYA NIRANJANA MURTHY ALLA for the Assessment Year 2017-18– Reg.

Ref: PAN: ABQPA5777R; DIN & Letter No. - ITBA/COM/F/17/2020-21/1027507442(1), Notice dated: 16/07/2020.

The Assessee has filed Appeal against the Assessment Order issued by the Income Tax Officer, Ward-1, Sangareddy, on dated: 18/11/2019. In response to Appeal filed, the Assessee received Notice for hearing of Appeal U/s. 250 of the IT Act 1961 dated on 04/03/2020 and fixed for personal hearing on 13/03/2020. In response to that Notice we have physically submitted the reply on 13/03/2020 to Office of the CIT(Appeals)-2, Hyderabad. Copy of submitted acknowledgement is enclosed herewith.

Now in response to your letter dated 16/07/2020 and fixed for filing online submissions on 21.07.2020, we once again submitting the following information:

1. Copy of Assessment Order.
2. Facts of the Case and Grounds of Appeal.
3. Form No.35 along with Acknowledgment.
4. Copy of Appeal Challan.
5. Supporting documents: Statement showing Cash Withdrawals & Cash Deposits in the Bank, Bank Statements of Accounts APCOB & SBI and Medical Reports of the Assessee wife.
6. Power of Attorney.

11. We further note that the assessee filed these details vide his reply dated 05/07/2024. Earlier also, the assessee filed the details in response to the notice vide reply dated 25/08/2020, the acknowledgement of the same is placed at page Nos. 35 & 36 of the paper book. Thus, from these replies and documents filed by the assessee, it is clear that all the relevant details were available before the learned CIT (A). The assessee has also filed the statement showing the cash withdrawn and cash deposits placed at page No.20 of the paper book read as under:

(20)

Statement showing Cash Withdrawals and Cash Deposits in the Bank						
Date	Bank Name	Description	Withdrawals	Deposits	Balance	Remarks
28-12-2015	SBI	Cash Withdrawal	5,00,000		5,00,000	
04-03-2016	SBI	Cash Withdrawal	5,00,000		10,00,000	
10-03-2016	APCOB	Gold Loan Withdrawn	1,99,400		11,99,400	
21-04-2016	APCOB	Cash Deposits		2,00,000	9,99,400	
29-04-2016	APCOB	Cash Deposits		45,000	9,54,400	
30-04-2016	APCOB	Cash Deposits		32,000	9,22,400	
24-06-2016	APCOB	Cash Deposits		35,000	8,87,400	
06-07-2016	APCOB	Cash Deposits		50,000	8,37,400	
12-07-2016	APCOB	Cash Deposits		25,000	8,12,400	
19-07-2016	APCOB	Cash Deposits		7,000	8,05,400	
02-08-2016	APCOB	Cash Withdrawal	1,70,000		9,75,400	
09-08-2016	APCOB	Cash Deposits		1,00,000	8,75,400	
14-09-2016	APCOB	Cash Deposits		4,000	8,71,400	
17-09-2016	APCOB	Cash Withdrawal	1,00,000		9,71,400	
22-09-2016	APCOB	Cash Deposits		4,000	9,67,400	
31-10-2016	APCOB	Cash Deposits		2,500	9,64,900	
01-11-2016	APCOB	Cash Deposits		2,10,000	7,54,900	
10-11-2016	APCOB	Cash Deposits		5,55,000	1,99,900	Deposited during Demonitization period
15-11-2016	APCOB	Cash Deposits		2,000	1,97,900	
25-11-2016	APCOB	Cash Deposits		1,000	1,96,900	
06-02-2017	APCOB	Cash Deposits		10,000	1,86,900	
			<b>14,69,400</b>	<b>12,82,500</b>		

12. The Assessing Officer has not disputed the transactions of withdrawals from the bank account by the assessee on the previous occasions. The learned CIT (A) has declined to accept the source of the earlier withdrawal for the subsequent deposits on the ground that the assessee failed to furnish the return of income and also failed to furnish the relevant supporting evidence to explain the source of the deposits. It is pertinent to note that when the transactions in the bank itself reflect the nature of the transaction of withdrawal as well as deposits, then in the absence of any other source of income of the assessee, the prior withdrawal from the bank account cannot be denied as a source of subsequent deposits and that too when the specified bank notes (SBN) after demonetization were mandatorily required to be deposited in the bank account. Accordingly, in the facts and circumstances of the case, when the withdrawals as reflected in the bank account of the assessee are not in dispute, then the source of the said money available with the assessee cannot be disputed for the subsequent deposits in the bank account. As regards the non-filing of the return of income, it is also not in dispute that the income of the assessee from pension is below the threshold limit of taxable income and therefore, the non-filing of return of income cannot be taken adversely against the assessee. Hence, we are satisfied that the assessee was able to explain the source of the deposits and consequently, the addition made by the Assessing Officer is deleted.

13. In the result, appeal filed by the assessee is allowed.

Order pronounced in the Open Court on 17<sup>th</sup> September, 2025.

Sd/-

Sd/-

<b>(MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER</b>	<b>(VIJAY PAL RAO) VICE-PRESIDENT</b>
--	---

Hyderabad, dated 17<sup>th</sup> September, 2025.

*Vinodan/sps*

Copy to:

S.No	Addresses
1	Shri Satya Niranjana Murthy Alla, LIG 873, BHEL, RC Puram, Sangareddy, Hyderabad 503032
2	Income Tax Officer Ward -1 Aayakar Bhavan, Veerbhadranagar, Sangareddy 50200 Hyderabad
3	Pr. CIT – Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

*By Order*