

आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम

**IN THE INCOME TAX APPELLATE TRIBUNAL
VISA KHAPATNAM "SMC" BENCH, VISA KHAPATNAM**

(HYBRID HEARING)

**श्री रवीश सूद , न्यायिक सदस्य एवं श्री एस बालाकृष्णन, लेखा सदस्य के समक्ष
BEFORE SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER**

&

SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER

**आयकर अपीलसं./I.T.A.No.399/VIZ/2025
(निर्धारणवर्ष/ Assessment Year:2013-14)**

Nannapaneni Sailaja D.No. 24-21-4, Ashramam Street Durgapuram, Vijayawada-520003 Andhra Pradesh [PAN: ACVFN1545L]	Vs.	The Income Tax Officer-Ward-3(1) Income Tax Office CR Building, 1 st Floor, Annex M.G. Road, Vijayawada-520002 Andhra Pradesh
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri GVN Hari, Advocate
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Dr. Aparna Villuri, Sr.AR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	27.10.2025
घोषणा की तारीख/Date of Pronouncement	:	07.11.2025

आदेश /ORDER

PER SHRI S. BALAKRISHNAN, ACCOUNTANT MEMBER:

1. This appeal is filed by the assessee against the order of Learned Commissioner of Income Tax (Appeals), National Faceless Appeal centre, Delhi [hereinafter in short "Ld.CIT(A)"] vide DIN & Order No. ITBA/NFAC/S/250/2024-25/1069840057(1) dated 22.10.2024 arising out of

order passed under section 147 r.w.s. 144 of Income Tax Act, 1961 (in short 'Act') dated 29.09.2021.

2. At the outset, it is noticed from the appeal record that there is a delay of 170 days in filing appeal before the Tribunal. Explaining the reasons for belated filing of the appeal, the Ld. Authorised Representative [hereinafter "Ld.AR"] drew our attention to the affidavit filed by the assessee along with a petition seeking for condonation of delay and read out the contents of the petition which is as under: -

"1. In the case of the appellant, the order of the learned Commissioner of Income Tax (Appeals) was passed on 22.10.2024. As such, the appeal against this order ought to have been filed on or before 31.12.2024. However, the appeal could be filed only on 19.06.2025 resulting in a delay of 170 days in filing the appeal.

2. The case of the appellant was reopened for A.Y.2013-14 on the ground that appellant purchased a property for a consideration of Rs.29,15,850 and did not file the return of income. The consideration was paid by husband of the appellant, Sri N. Kali Vara Prasad and the relevant documents were submitted before the assessing officer. The assessing officer accepted the source to the tune of Rs.20,00,000 paid by the husband through his bank account and made addition for the balance amount of Rs.9,15,850 paid in cash. Appeal was filed against the assessment order without any delay. Even before the learned Commissioner of Income Tax (Appeals), the appellant responded to the hearing notices and explained the sources for the balance amount of Rs.9,15,850. However, the learned Commissioner of Income Tax (Appeals) sustained the addition on the ground that the availability of cash in the hands of the appellant was not substantiated. The learned Commissioner of Income Tax (Appeals) passed the order on 22.10,2024.

3. The appellant is a house wife and not much educated. She is not having any sources of income and not an income tax assessee. It was husband of the appellant, Sri N. Kali Vara Prasad who had pursued both the assessment proceedings as well as the appellate proceedings.

However, during the fag end of the appeal proceedings the husband of the appellant fell sick and eventually expired on 13.01.2025 (copy of medical certificate is enclosed herewith).

4. The appellant is a house wife and left with two unmarried daughters. The sudden death of the husband left the family in a shock. The appellant did not have any idea of the income tax proceedings. She does not know the details of the email and other login details of her account in the income tax portal. As such, she was not aware of the order of the learned Commissioner of Income Tax (Appeals) passed on 22.10.2024.

5. A notice server from the income tax department served by hand the notice u/s 271(1)(c) of the Act, show cause notice dt03.06.2025 and no response letter dated 07.06.2025 in the second week of June, 2025. At this point of time, the appellant contacted a Chartered Accountant and with his help accessed the portal and downloaded the order passed by the learned Commissioner of Income Tax (Appeals). Without any further delay, the appellant took necessary steps and filed the appeal before the hon'ble ITAT on 19.06.2025.

6. The delay of 170 days in filing the appeal was due to the reasons explained above which were beyond the control of the appellant. The delay is neither intentional nor deliberate. Therefore, the appellant prays the hon'ble ITAT to kindly condone the delay in filing the appeal and pass appropriate orders in the interest of rendering substantial justice.”

3. On perusal of the contents of the affidavit filed by the assessee as well as the submission of the Ld. AR, we find that the assessee is prevented by a reasonable and sufficient cause in filing the appeal beyond the prescribed time limit with a delay of 170 days. Therefore, we hereby condone the delay of 170 days in filing the appeal before the Tribunal and proceed to adjudicate the appeal on merits in the following paragraphs.

4. Brief facts of the case are that, assessee being an individual did not file her return of income for the A.Y. 2013-14. On verification of the information

available with the Department, it was noticed that assessee has invested Rs.29,15,850/- for purchase of Flat in Vijayawada on 13.07.2012. Since the assessee is a non-filer, notice under section 148 of the Act was issued on 17.03.2020. The assessee did not respond to the notices and hence notice under section 142(1) of the Act was issued on 30.09.2020 calling for information with regard to the sources for investment in said property. As there was no response, another show-cause notice was issued on 09.09.2021. In response to the show-cause notice, assessee furnished written submission through e-filing portal on 28.09.2021. Assessee furnished the bank details from which the payments were made to the builder amounting to Rs.20 lakhs. Further, in respect of the remaining investment of Rs.9,15,850/- assessee submitted that this was paid in cash which was out of the funds available with her husband. Her husband has sold his property in earlier year and the sale proceeds of Rs.1.75 crores has credited to his account which was withdrawn by the assessee over the period of years which was utilised for the payment of cash for the purchase of the immovable property. The Ld. AO did not accept the contentions of the assessee and thereafter proceeded to treat an amount of Rs.9,15,850/- as unexplained investment.

5. Aggrieved by the order of the Ld. AO, assessee filed an appeal before the Ld. CIT(A). The Ld. CIT(A) dismissed the appeal of the assessee while sustaining the order of the Ld. AO.

6. On being aggrieved by the order of the Ld. CIT(A), assessee is in appeal before us by raising following grounds of appeal: -

“1. The order of learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.

2. The learned Commissioner of Income Tax (Appeals) is not justified in sustaining the addition of Rs.9,15,850 made by the assessing officer u/s.69 of the Act towards unexplained investment in property.

3. Any other ground that may be urged at the time of appeal hearing.”

7. Ground Nos. 1 & 3 are general in nature and needs no adjudication.

8. Ground No.2 is related to sustaining the addition of Rs.9,15,850/- by the Ld.CIT(A) towards investment in property. On this issue, Ld. Authorised Representative [hereinafter “Ld.AR”] submitted that assessee’s husband sold a property in the earlier assessment year which was also subjected to capital gains tax and the sale proceeds was deposited into the bank account of the assessee’s husband. He further submitted that the assessee’s husband was regularly withdrawing the funds from the bank. The Ld.AR submitted that the cash flow statement has been submitted in paper book in page no. 42. He invited our attention to the cash flow statements and argued that even withdrawals from 03.08.2011 is considered which is sufficient for the cash payments made by the assessee for the purchase of the property including the registration charges. He therefore pleaded that source of investment being explained, addition may be deleted.

9. Per contra, Ld. Departmental Representative [hereinafter in short “Ld.DR”] relied on the orders of the Revenue Authorities.

10. We have heard both the sides and perused the material available on record. The case of the Ld. AO is assessee has purchase property at Vijayawada while making the payments by way of cash to the extent of Rs.7,12,000/- and also making the payment of Rs.2,03,850/- towards registration charges. It is the case of the Ld. AO that the assessee could not properly explain the sources of cash and hence it shall be treated as unexplained investment. However, Ld.AR demonstrated by filing the cash flow statements in paper book at Page No. 42. Page No. 42 is extracted for ready reference: -

NANNAPANENI KALI VARA PRASAD & SAILAJI
D.NO.24-21-4, ASHRAM STREET, DURGAPURAM
VIJAYAWADA

DETAILS OF CASH TRANSACTIONS DURING THE YEAR 01.04.2011 TO 31.03.2014

DATE	Cash Withdrawals		Cash Deposits		Closing Balance
	Andhra Bank - Spouse A/c 051010100047080	Andhra Bank - Joint A/c 051010100048724	Andhra Bank - Spouse A/c 051010100047080	Andhra Bank - Joint A/c 051010100048724	
02-04-2011	3,00,000.00	-	-	-	3,00,000.00
07-04-2011	-	10,000.00	-	-	3,10,000.00
27-04-2011	10,00,000.00	-	-	-	13,10,000.00
27-04-2011	10,00,000.00	-	-	-	23,10,000.00
28-04-2011	45,000.00	-	-	-	23,55,000.00
28-04-2011	3,00,000.00	-	-	-	26,55,000.00
19-05-2011	4,00,000.00	-	-	-	30,55,000.00
23-05-2011	1,00,000.00	-	-	-	31,55,000.00
28-05-2011	5,00,000.00	-	-	-	36,55,000.00
02-06-2011	1,00,000.00	-	-	-	37,55,000.00
13-06-2011	2,00,000.00	-	-	-	39,55,000.00
18-06-2011	1,00,000.00	-	-	-	40,55,000.00
25-06-2011	-	10,000.00	-	-	40,65,000.00
30-06-2011	3,00,000.00	-	-	-	43,65,000.00
30-06-2011	20,00,000.00	-	-	-	63,65,000.00
01-07-2011	2,00,000.00	-	-	-	65,65,000.00
04-07-2011	2,00,000.00	-	-	-	67,65,000.00
15-07-2011	10,00,000.00	-	-	-	77,65,000.00
28-07-2011	2,00,000.00	-	-	-	79,65,000.00
03-08-2011	1,50,000.00	-	-	-	81,15,000.00
22-08-2011	4,00,000.00	-	-	-	85,15,000.00
26-08-2011	-	25,000.00	-	-	85,40,000.00
03-09-2011	1,00,000.00	-	-	-	86,40,000.00
03-09-2011	-	1,00,000.00	-	-	87,40,000.00
10-09-2011	-	-	-	46,000.00	86,94,000.00
05-10-2011	-	80,000.00	-	-	87,74,000.00
10-10-2011	45,000.00	-	-	-	88,19,000.00
25-11-2011	-	-	-	25,000.00	87,94,000.00
29-11-2011	-	-	-	10,000.00	87,84,000.00
14-12-2011	95,000.00	-	-	-	88,79,000.00
30-12-2011	-	24,000.00	-	-	89,03,000.00
23-02-2012	-	-	-	4,000.00	88,99,000.00
23-02-2012	-	20,000.00	-	-	89,19,000.00
24-03-2012	-	12,000.00	-	-	89,31,000.00
13-07-2012	-	PURCHASE OF RESIDENTIAL FLAT		9,15,850.00	80,15,150.00
15-09-2012	-	15,000.00	-	-	80,30,150.00
20-11-2012	-	45,000.00	-	-	80,75,150.00
21-12-2012	-	-	-	49,900.00	80,25,250.00
22-12-2012	-	50,000.00	-	-	80,75,250.00

11. No material has been brought on record by the revenue that the withdrawals by the assessee's husband have been utilized for some other purposes. Hence, we are of the opinion that the assessee has properly explained the sources for investment in purchase of the flat and therefore the addition made by the Revenue Authorities is not justifiable and shall be deleted. We therefore direct the Ld. AO to delete the amount of Rs.9,15,850/- thereby allowing the ground No.2 raised by the assessee.

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

Order pronounced in the open court on 07th November, 2025.

Sd/-
(रवीश सूद)
(RAVISH SOOD)
न्यायिक सदस्य/JUDICIAL MEMBER
Dated: 07.11.2025
Giridhar, Sr.PS

Sd/-
(एस बालाकृष्णन)
(S. BALAKRISHNAN)
लेखा सदस्य/ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee : **Nannapaneni Sailaja**
D.No. 24-21-4, Ashramam Street
Durgapuram, Vijayawada-520003
Andhra Pradesh
2. राजस्व/ The Revenue : **The Income Tax Officer-Ward-3(1)**
Income Tax Office
CR Building, 1st Floor, Annex
M.G. Road, Vijayawada-520002
Andhra Pradesh
3. The Principal Commissioner of Income Tax
4. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, विशाखापटणम /DR,ITAT, Visakhapatnam
5. The Commissioner of Income Tax
6. गार्डफ़ाईल / Guard file

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Visakhapatnam