

आयकर अपीलीय न्यायाधिकरण में, हैदराबाद 'एस.एम.सी.' बेंच, हैदराबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad "SMC" Bench, Hyderabad

B E F O R E

श्री मंजूनाथ जी, माननीय लेखा सदस्य
SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER

आयकरअपीलसं./I.T.A.No.1504/Hyd/2025
(निर्धारण वर्ष/ Assessment Year: 2016-17)

Anakala Sunitha, R/o.Ranga Reddy PAN : BGYPS3662P (अपीलार्थी/ Appellant)	Vs.	The Income Tax Officer, Ward 9(1), Hyderabad. (प्रत्यर्थी/ Respondent)
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करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri Bhupal Goud, C.A.
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Shri S. Mookambikeyan, Sr. A.R.
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	01.12.2025
घोषणा की तारीख/ Date of Pronouncement	:	02.12.2025

ORDER

PER MANJUNATHA G., A.M :

This appeal filed by the assessee is directed against the order of the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre [in short "NFAC"], Delhi, dated 24.07.2025, pertaining to the assessment year 2016-17.

2. The brief facts of the case are that, assessee, Smt. Anakala Sunitha, is a non-filer for the Assessment Year 2016-17. Based on information that the assessee had entered into substantial financial transactions during the financial year 2015-16, including cash deposits and time deposits in State Bank of Hyderabad, proceedings under Section 148 of the Income-tax Act, 1961 (for short "the Act") were initiated. Notice under Section 148A(b) was issued along with the underlying material, and after considering the assessee's reply, the Jurisdictional Assessing Officer passed an order under Section 148A(d) holding it to be a fit case for issuance of notice under Section 148. Accordingly, notice under Section 148 was issued and in response, the assessee filed her return of income declaring total income of Rs. 6,27,100/-. During the assessment proceedings, notices under Sections 143(2) and 142(1) were issued from time to time calling for details regarding the transactions, especially cash deposits and time deposits made during the relevant previous year.

3. The A.O., after considering the relevant facts submitted by the assessee, observed that, the assessee could satisfactorily explain the time deposits of Rs. 27,00,000/- and substantiate their source,

and therefore, no adverse inference was drawn on that issue. However, with respect to cash deposits of Rs. 7,00,000/-, the assessee's explanation based on alleged chit fund activities and cash withdrawals was found unsatisfactory in the absence of any documentary evidence such as proof of membership, audited records, or confirmation from the chit fund entity. The A.O. noted that the assessee failed to substantiate the source of the said cash deposits despite multiple opportunities including a video-conference hearing. Accordingly, the A.O. treated the cash deposit of Rs. 7,00,000/- as unexplained money under Section 69A of the Income-tax Act, 1961 and added the same to the returned income, applying the provisions of Section 115BBE of the Act.

4. Aggrieved with the assessment order, the assessee preferred appeal before the Ld. CIT(A).

5. Before the Ld. CIT(A), the assessee challenged the addition of Rs. 7,00,000/- on account of unexplained cash deposits and contended that, the deposits were sourced from past cash withdrawals, accumulated family savings and an adhoc self-help chit fund. The assessee placed on record bank statements and submitted that, Rs. 2,00,000/- was from chit lift and balance from

savings; she also sought to rely on cash withdrawals from her husband's account. The Ld. CIT(A) granted opportunities to the assessee, including Video Conference hearing, but found the explanations unsatisfactory in view of lack of corroborative documentary evidence and inability to establish nexus between alleged withdrawals and deposits. The Ld. CIT(A) upheld the addition of Rs. 7,00,000/- made by the A.O. Further, the appeal before the Tribunal was filed on 08.09.2024 and is therefore, beyond the statutory period of 30 days. The assessee filed an application for condonation of delay citing illness of her mother and other circumstances. The Ld. CIT(A) considered the condonation request and after referring to relevant judicial precedents, including the decision in the case of Smt. R.V. Sarojini Devi v. I.A.C. and Krishna Kumar Nathani & Sons (HUF) v. ACIT) and the parameters laid down by the Hon'ble Supreme Court in the case of Pathapati Subba Reddy (died) v. Special Deputy Collector, held that, the reasons offered by the assessee do not constitute sufficient cause and that the delay was due to negligence/lack of due diligence. The Ld. CIT(A) accordingly

declined to condone the delay and dismissed the appeal as barred by limitation without admission on merits.

6. Aggrieved by the order of Ld. CIT(A), the assessee is now in appeal before us.

7. The learned counsel for the assessee, Shri Bhupal Goud, C.A. submitted that, the delay in filing the appeal was not intentional and was caused due to the medical condition of the assessee's mother, and therefore the delay deserves to be condoned. He submitted that, the assessee had paid the appeal fee within time and had filed the return in response to notice under Section 148 by disclosing full income. He further submitted that, the assessee had explained the source of cash deposits with supporting bank statements showing cash withdrawals from her own account and from her husband's account, and also explained the receipt from a small informal chit-group. He argued that, the addition of Rs. 7,00,000/- was made without appreciating the flow of funds and that the assessee, being a Government teacher with no other undisclosed income, should be given an opportunity to present the case on merits. He therefore requested that the delay be condoned and the appeal be admitted for adjudication.

8. The learned Senior A.R. for the Revenue, Shri Mookambikeyan, S. on the other hand, supporting the order of the Ld. CIT(A) submitted that, the assessee failed to give any proper or verifiable reason for the delay of 131 days in filing the appeal and had not produced any medical evidence to support the claim. He submitted that, the explanation given by the assessee was general in nature and did not show due diligence, and therefore the Ld. CIT(A) was right in rejecting the condonation request. He further submitted that, even on merits the assessee had not furnished any documentary evidence to prove the existence of the chit fund or to establish a clear link between the alleged cash withdrawals and the cash deposits, and the addition of Rs. 7,00,000/- was rightly made. He, therefore, argued that the delay should not be condoned and the order of the Ld. CIT(A) deserves to be upheld.

9. We have heard both parties, perused the material available on record, and had gone through the orders of the authorities below. The learned counsel for the assessee, referring to the order passed by the Ld. CIT(A), submitted that, the Ld. CIT(A) has dismissed the appeal filed by the assessee without condoning the delay of 131 days in filing the appeal, even though the assessee has explained

the delay with medical reasons. The learned Senior A.R. for the Revenue countered the arguments of the learned counsel for the assessee and submitted that, the reasons given by the assessee for explaining the delay of 131 days in filing of the appeal before the Ld. CIT(A) do not come under reasonable cause. Therefore, the Ld. CIT(A) has rightly dismissed the appeal filed by the assessee for the delay in filing of the appeal.

10. We find that, there is a delay of 131 days in filing of the appeal before the Ld. CIT(A) for which the assessee has filed an application and also explained reasons along with medical certificate issued to prove the ill health of the assessee's mother, which is the reason for the assessee not filing the appeal on or before the due date provided under the Act. Since there was sufficient evidence in the form of medical certificate issued by the Doctors to prove the illness of the family member of the assessee, in our considered view, the Ld. CIT(A) ought to have condoned the delay of 131 days in filing of the appeal. Since there is sufficient cause for the assessee for not filing the appeal within the time provided under the Act, before the Ld. CIT(A), and the said reason comes under sufficient cause, as provided under the Act, in our

considered view, the delay of 131 days in filing of the appeal should be condoned. Thus, we condone the delay of 131 days in filing of the appeal before the Ld. CIT(A).

11. Having condoned the delay in filing the appeal before the Ld. CIT(A), we find that, the Ld. CIT(A) has not discussed the issue on merits in respect of additions made by the A.O. towards cash deposit into the bank account. The learned counsel for the assessee submitted that, the assessee has explained the cash deposits into the bank account out of cash withdrawals from her bank account during the earlier period and also cash withdrawal from her husband's bank account out of salary income, for which the necessary evidence has been furnished before the A.O. Since the Ld. CIT(A) has not discussed the issues on merits, in our considered view, to give one more opportunity of hearing to the assessee, the issue needs to be set aside to the file of the Ld. CIT(A). Thus, we set aside the order of the Ld. CIT(A) and direct the Ld. CIT(A) to reconsider the issue on merits after providing reasonable opportunity of hearing to the assessee. Needless to say, the assessee shall appear before the Ld. CIT(A) and furnish relevant evidences in support of her case.

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

Order pronounced in the Open Court on 2nd December, 2025.

Sd/-
(मंजूनाथ जी)
(MANJUNATHA G.)
लेखा सदस्य/ACCOUNTANT MEMBER

Hyderabad, dated 02.12.2025.
TYNM/sps

आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1.	निर्धारिती/The Assessee	:	Anakala Sunitha, H.No.4-7-146/2, Plot No.54, Opp. To Police Station, Hayabagh, Ranga Reddy District – 501506, Telangana.
2.	राजस्व/ The Revenue	:	The Income Tax Officer, Ward –9(1), Hyderabad.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / DR, ITAT, Hyderabad		
5.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad