

आयकर अपीलिय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'SMC' Bench, Hyderabad

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

आ.अपी.सं / **ITA.No.2222/Hyd/2025**

Assessment Year 2016-2017

Adilakshmi Vangala, Hyderabad - 500 045. Telangana. PAN ACRPV6738R	vs.	The Income Tax Officer, Ward-6(1), Hyderabad - 500 028. Telangana.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by :	Sri R. Mohan Kumar, Advocate	
राजस्व द्वारा/Revenue by :	Sri Karthik Manickam, Sr. AR	
सुनवाई की तारीख/Date of hearing:	08.04.2026	
घोषणा की तारीख/Pronouncement:	17.04.2026	

आदेश/ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

This appeal by the Assessee is directed against the Order dated 15.10.2025 of the learned CIT(A)-National Faceless Appeal Centre [in short "NFAC], Delhi, for the assessment year 2016-2017.

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

1. *“In the facts and circumstances of the case, the order of the CIT(A) is not sustainable on facts or in law.*
2. *In the facts and circumstance of the case, the Ld. CIT(A) ought to have considered that the notice was not issued in a faceless manner rendering the entire proceedings invalid as held by the jurisdictional High Court and also this Honorable Tribunal.*
3. *In the facts and circumstance of the case, the respected CIT(A) ought to have considered that the notice u/s 148 is bad in law in as much as the notice was issued in violation of provisions of section 149(2), and consequently the assessment order is not sustainable.*
4. *In the facts and circumstance of the case, the CIT(A) ought to have considered that the sources for cash deposits are from her son and delete the addition made.*
5. *In the facts and circumstance of the case, the CIT(A) ought to have considered that the provisions of section 69A are not attracted.*
6. *The appellant may be permitted to add, delete, amend any ground with leave of the Honourable Tribunal.”*

3. In Ground nos.1 to 3 the assessee has challenged the validity of the notice issued by the Assessing Officer u/sec.148 of the Act being barred by limitation.

4. The learned Authorised Representative of the Assessee has submitted that the Assessing Officer has initiated the reopening of the assessment by issuing show

cause notice u/sec.148A(b) of the Act dated 27.02.2003 on the basis of the three transactions of alleged cash deposits in the bank account of the assessee total amounting to Rs.52,10,000/-. However, out of these three transactions as alleged by the Assessing Officer, only one transaction of Rs.38,10,000/- is the transaction of deposit in the bank account of the assessee and other transactions are not related to the assessee. He has further submitted that the Assessing Officer though issued notice u/sec.133(6) of the Act to the bank of the assessee calling for the bank account statement and details, however, the Assessing Officer has passed Order u/sec.148A(d) of the Act without verifying the actual and real transactions of cash deposit in the bank account and thereafter, issued notice u/sec.148 of the Act on 24.03.2023 which is beyond 03 years from the end of the assessment year under consideration. Thus, the learned Authorised Representative of the Assessee has submitted that when the income escaped assessment is not more than Rs.50 lakhs and only Rs.38,10,000/- then, the notice issued by the Assessing Officer u/sec.148 of the Act beyond the 03

years is barred by limitation as provided u/sec.149(1)(b) of the Act. In support of his contention, he has relied upon the following Judgments:

1. Order of ITAT, Ahmedabad SMC Bench, Ahmedabad in the case of Shri Ashokbhai Anbabbhai Kachadiya, Bhavnagar vs. ITO, Ward-1(9), Bhavnagar in ITA.No.1373/Ahd./2025, dated 17.12.2025.

2. Order of ITAT, Mumbai SMC Bench, Mumbai in the case of Ms. Sonali Dharmendra Mhatre, Mumbai vs. ITO, Ward-3(2), Kalyan in ITA.No.6594/M/2024, dated 28.04.2025.

3. Judgment of Hon'ble Bombay High Court in the case of Naresh Balchandrarao Shinde vs. ITO [2023] 451 ITR 149 (Bom.).

5. Judgment of Hon'ble Madras High Court in the case of Krishnareddy Venkatesan, Tiruvallur vs. ITO, Ward-1, Tiruvallur in WP.No.14438 of 2022, dated 12.12.2025.

6. Order of ITAT, Kolkata SMC Bench, Kolkata in ITA.No.1443/Kol./2025, dated 09.09.2025.



7. Order of ITAT, Chennai Bench, Chennai in the case of Sri Bannari Amman Fresh Fruit, Chennai vs. ITO, Non-Corporate Ward-15(1), Chennai in ITA.No.3702/Chny./2025, dated 27.02.2026.

5. On the other hand, the learned DR has submitted that at the stage of issue of show cause notice u/sec.148A(b)

of the Act as well as passing the Order u/sec.148A(d) of the Act, the Assessing Officer is required to consider the information available with him and therefore, when the information received by the Assessing Officer showing the cash deposit in the bank account more than Rs.50 lakhs then, the limitation for issuing the notice u/sec.148 of the Act would be 06 years or 10 years. He has further submitted that the Assessing Officer has considered this issue in the assessment order and decided the objections of the assessee by following the Judgment of Hon'ble Allahabad High Court in the case of **ARB Hotels Resorts (P.) Ltd., vs. Pr. CCIT [2023] 156 taxmann.com 238 (All.HC)**. Thus, he has submitted that the notice issued by the Assessing Officer u/sec.148 of the Act based on the information available with the Assessing Officer showing the cash deposit in the bank account of the assessee more than Rs.50 lakhs is well within the period of limitation and therefore, the same is valid.

6. We have considered the rival submissions as well as relevant material on record. There is no dispute that the

Assessing Officer issued show cause notice u/sec.148A(b) of the Act on 27.02.2023 which reads as under:

		<p>GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE INCOME TAX OFFICER WARD 6(1),HYDERABAD</p>	
	<p>To, ADILAKSHMI VANGALA H NO 8-3-231/A 374 , KRISHNANAGAR YOUSUFGUDA HYD , Andhra Pradesh India</p>		
<p>PAN: ACRPV6738R</p>	<p>A.Y: 2016-17</p>	<p>Dated: 27/02/2023</p>	<p>DIN & Notice No: ITBA/AST/F/148A(SCN)/2022- 23/1050137950(1)</p>
<p><u>Notice under clause(b) of section 148A of the Income-tax Act,1961</u></p>			
<p>Sir/Madam/M/s</p>			
<p>Whereas I have information which suggests that income chargeable to tax for the Assessment Year 2016-17 has escaped assessment within the meaning of section 147 of the Income-tax Act, 1961. The details of the information/ enquiry conducted on which reliance is being placed, along with supporting documents, are <u>enclosed</u> with this notice.</p>			
<p>2.You are required to show-cause as to why, in view of the details contained in enclosures mentioned in point number 1 above, a notice section 148 of the Income tax Act, 1961 should not be issued.</p>			
<p>3.You may submit your reply to this notice, along with supporting documents (if any) on the above mentioned issues on or before 07/03/2023 electronically at www.incometax.gov.in.</p>			
<p>SRINIVASA RAO TUMMALAPALLI WARD 6(1),HYDERABAD</p>			

ANNEXURE

Please refer to this office notice u/s 148A(a) of Income Tax Act, 1961, issued after obtaining prior approval of the specified authority, on **04.02.2023** in connection with conducting enquiry into the transactions entered by you. In this regard, certain information has been called for from you. There is no response for the above enquiry letter.

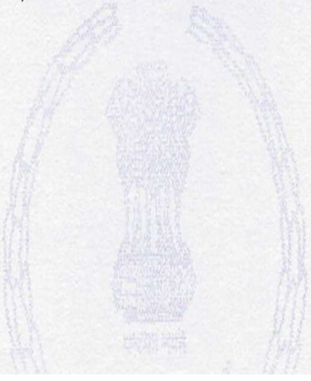
2. As per NMS module of Insight Portal, for the Financial Year **2015-16** relevant to Assessment Year **2016-17**, it is noticed that you have entered into the following transactions:-

Information Code	Information Description	Source	Amount (Rs.)
CIB-410	Deposit In Cash aggregating Rs. 2,00,000/- or more, with a banking company	THE TELANGANA STATE CO-OPERATIVE APEX BANK LIMITED- CHAMPAPET BRANCH	1000000
AIR-001	Deposited cash of Rs. 10,00,000 or more in a saving bank account	TELANGANA STATE CO-OPERATIVE APEX BANK LIMITED HYDERABAD	3810000
CIB-410	Deposit In Cash aggregating Rs. 2,00,000/- or more, with a banking company	THE TELANGANA STATE CO-OPERATIVE APEX BANK LIMITED- JUBILEE HILLS BRANCH	400000

3. It is seen that in spite of entering into the above high value transactions, you have not filed return of income for the year under consideration. Therefore, as per the amended provisions of Income Tax Act, 1961, you are provided an opportunity of being heard by issue of Show Cause Notice u/s 148A(b) of the Income Tax Act, 1961 and are required to show

cause as to why notice u/s 148 should not be issued on the basis of the above information which suggests that income chargeable to tax has escaped assessment in your case for the financial year under consideration and as a result of enquiry conducted as per Section 148A(a) of the Act.

4. You are requested to file your submissions along with necessary evidences in support of your claim, on or before the date mentioned in the notice, failing which it would be considered that you have nothing to explain about your transactions and the undersigned will be constrained to proceed with initiating further proceedings as per the provisions of section 148A(d) of Income Tax Act, 1961, on the basis of the information available on record.



SRINIVASA RAO TUMMALAPALLI
WARD 6(1),HYDERABAD

6.1. Thus, the Assessing Officer proceeded on the basis of the three transactions of cash deposit to reopen the assessment of the assessee. Thereafter, the Assessing Officer has passed an Order u/sec.148A(d) of the Act on 23.03.2023 and then issued notice u/sec.148 of the Act on 24.03.2023 reads as under:



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX OFFICER
WARD 6(1),HYDERABAD

To, ADILAKSHMI VANGALA H NO 8-3-231/A 374 , KRISHNANAGAR YOUSUFGUDA HYD , Andhra Pradesh India			
PAN: ACRPV6738R	A.Y: 2016-17	Dated: 23/03/2023	DIN & Notice No: ITBA/AST/F/148A/2022-23/1051156668(1)
Name of the assessee	ADILAKSHMI VANGALA		
Address of the assessee	H NO 8-3-231/A 374 , KRISHNANAGAR YOUSUFGUDA HYD , Andhra Pradesh India		
Email of the assessee			
Resident/ Not Ordinarily Resident/ Non-Resident	Resident		
Date of order	23/03/2023		
Name and Designation of Specified Authority	ATUL PRANAY PCCIT, AP & TELANGANA		
Specified Authority approval date	21/03/2023		

Order under clause (d) of section 148A of the Income-tax Act,1961

Specific information was flagged as per Risk Management Strategy formulated by the CBT through Insight Portal under the category 'RMS – High Risk Non-Filer' for the Financial Year 2015-16 relevant to Assessment Year 2016-17. The information available shows that the assessee has entered into the following transactions.

Information Code	Information Description	Source	Amount (Rs.)

CIB-410	Deposit In Cash aggregating Rs. 2,00,000/- or more, with a banking company	THE TELANGANA STATE CO-OPERATIVE APEX BANK LIMITED-CHAMPAPET BRANCH	1000000
AIR-001	Deposited cash of Rs. 10,00,000 or more in a saving bank account	TELANGANA STATE CO-OPERATIVE APEX BANK LIMITED HYDERABAD	3810000
CIB-410	Deposit In Cash aggregating Rs. 2,00,000/- or more, with a banking company	THE TELANGANA STATE CO-OPERATIVE APEX BANK LIMITED- JUBILEE HILLS BRANCH	400000

2. As per the provisions of Explanation 1(i) of section 148 of the Income-tax Act, the above stated information flagged in accordance with the risk management strategy formulated by the Board in the case of the assessee for the relevant assessment year, represents information available with the Assessing Officer which suggests that income chargeable to tax has escaped assessment.

3. It is observed that in spite of entering into the above high value transactions, the assessee has not filed return of income for the year under consideration.

4. After obtaining prior approval from the specified authority, notice under section 148A(a) of the Act was issued to the assessee on **04.02.2023** to conduct enquiry into the transactions entered by the assessee. The date of compliance was fixed on **13.02.2023**. The assessee has not responded to the above notice.

5. Therefore, notice under clause (b) of section 148A of the Act was issued to the assessee on **27.02.2023**. The notice was sent through Speed Post vide consignment no. **JD419388945IN**. As the notice has been Undelivered, it was served by way of affixture by the Inspector of this office on **03.03.2023**. The date of compliance was fixed on **07.03.2023**. The assessee in her reply dt.07.03.2023 stated that she does not have any source of income. The amount deposited in the TSCAB is out of sale consideration of house property and amount received on behalf of her son (owner of property) who is a non-resident. However, the assessee has not furnished any documentary evidence for the same and, therefore, the cash transactions in the bank account needs verification. Therefore, I have reason to believe that the assessee has no proper explanation with respect to the above transactions and therefore, income escaped to the extent of the unexplained transactions.

6. In the light of the above facts and on the basis of material available on record, it is decided that the case of the assessee is a fit case for issuance of notice under section 148 of the Act for the A. Y. 2016-17. The income chargeable to tax, represented in the form of asset, amounting to Rs.50 lakhs or more has escaped assessment.

7. This order is passed with the prior approval of the specified authority as per the provisions of section 151 of the Act and by duly following the procedural requirements as detailed in case history/noting's in the ITBA.



SRINIVASA RAO TUMMALAPALLI
WARD 6(1),HYDERABAD



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE INCOME TAX
OFFICER
WARD 6(1),HYDERABAD

To,
ADILAKSHMI VANGALA
H NO 8-3-231/A 374 , KRISHNANAGAR
YOUSUFGUDA
HYD , Andhra Pradesh
India

PAN: ACRPV6738R	A.Y: 2016-17	Dated: 24/03/2023	DIN & Notice No: ITBA/AST/S/148_1/2022- 23/1051254428(1)
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Notice under section 148 of the Income-tax Act,1961

Sir/Madam/ M/s.

- I have the following information in your case or in the case of the person in respect of which you are assessable under the Income tax Act, 1961(here in after referred to as "the Act") for Assessment Year **2016-17**
 - information in accordance with the risk management strategy formulated in this regard

suggesting that income chargeable to tax has escaped assessment within the meaning of section 147 of the Act. Order under sub-section (d) of section 148A of the Act has been passed in such case vide DIN ITBA/AST/F/148A/2022-23/1051156668(1) dated **23/03/2023** and annexed herewith for reference.

- I, therefore, propose to assess or reassess such income or recompute the loss or the depreciation allowance or any other allowance or deduction for the Assessment Year **2016-17** and I, hereby, require you to furnish, within 30 days from the service of this notice, a return in the prescribed form for the Assessment Year **2016-17**.

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WARD 6(1),HYDERABAD

6.2. Thus, it is clear that even at the time of passing the Order u/sec.148A(d), the Assessing Officer has considered the same amount of cash deposits without even verifying the bank account statement of the assessee. In the assessment order the Assessing Officer finally held that the only transaction of cash deposit during the year is Rs.38,10,000/- which is added to the total income of the assessee as under:

“Finding of the case

Section 69A of the Act deals with money etc, owned by the assessee and found in possession including in the bank accounts of the assessee which remain unexplained. The said section is reproduced below for ready reference:

Section 69A-Unexplained Money

"Where in any financial year the assessee is found to be the owner of any money, bullion, jewellery or other valuable article and such money, bullion, jewellery or valuable article is not recorded in the books of account, if any, maintained by him for any source of income, and the assessee offers no explanation about the nature and source of acquisition of the money, bullion, jewellery or other valuable article, or the explanation offered by him is not, in the opinion of the Assessing Officer, satisfactory, the money and the value of the bullion, jewellery or other valuable article may be deemed to be the income of the assessee for such financial year."

In the present case, the assessee has deposited cash in the bank account amounting to Rs. 38,10,000/- which is treated as unexplained money u/s 69A of the Act, since she has not offered an acceptable or cogent explanation regarding the source thereof. As discussed above, the explanation offered by the assessee are entirely by self-serving documents without third party evidence.”

6.3. Therefore, it is a case of wrong and incorrect facts or rather non-existing fact and transaction in the bank account of the assessee considered by the Assessing Officer at the time of issuing the show cause notice u/sec.148A(b); at the time of passing the Order u/sec.148A(d) as well as issuing notice u/sec.148 of the Act. Undisputedly, the actual transaction of deposit of cash is found to be only Rs.38,10,000/- and therefore, the case of the assessee falls in the category of ‘income escaped assessment less than Rs.50 lakhs’ and consequently, as per the provisions of sec.149(1)(b) of the Act, the limitation for issuing the notice u/sec.148A is only 03 years from the end of the relevant assessment year. There is no dispute that the notice u/sec.148 of the Act issued on 24.03.2023 is beyond 03 years and therefore, the same is time barred and invalid. It is pertinent to note that if a notice based on the correct and

actual facts is invalid then, the same cannot be treated as valid by considering incorrect and non-existing facts and hence, the period of limitation provided u/sec.149(1)(b) of the Act cannot be enlarged or extended on the basis of incorrect facts or non-existing facts. It is a case of non-existing transaction of cash deposit which are considered by the Assessing Officer and not a case that the transaction of deposit is rightly considered by the Assessing Officer however, the assessee was able to explain the source during the assessment proceedings and finally the Assessing Officer after accepting the source of cash deposit made an addition which is less than Rs.50 lakhs. Therefore, there is no quarrel on the point that the addition finally made by the Assessing Officer in the assessment would not necessarily render the case of the assessee in the category of 'income escaped assessment is less than or more than Rs.50 lakhs' but the primary facts are relevant to consider whether the income escaped assessment is less than or more than Rs.50 lakhs. The Assessing Officer relied upon the Judgment of Hon'ble Allahabad High Court in the case of **ARB Hotels Resorts (P.)**

Ltd., vs. Pr. CCIT (supra) however, the Hon'ble Allahabad High Court has made a specific observation in Para no.22 as under:

“22. Last, we may also note as a Court of equity, the writ Court may not be persuaded to drop the entire proceedings at the fag end on a purely technical submission. Yet, that submission is not being accepted in the present facts. On a general principle, once component of escapement exists, it has to be finally determined by the assessing authority. We therefore refrain ourselves from exercising the discretionary jurisdiction to quash the entire proceedings at this late stage. To that rule of equity and good conscience, we abide

(iii) Considering the facts of the case and decision of the Hon'ble High Court of Allahabad on similar issue, the contention of the assessee is not found to be acceptable and hence rejected.”

6.4. Therefore, the Hon'ble High Court has declined to accept the objection of the assessee which is purely technical in nature in the writ proceedings and therefore, challenging the validity of the notice u/sec.148 of the Act based on the factual finding given by the Assessing Officer in the assessment order would not render the notice u/sec.148 as time barred. The Hon'ble Madras High Court in the case of

Krishna Reddy Venkatsan, Tiruvallur vs. ITO, Tiruvallur

(supra), has considered this issue in Para nos.2 to 6 as under:

“2. *Learned counsel for the petitioner invited my attention to the notice under Section 148A(b), the reply thereto and the impugned order. In spite of providing the bank statement for the relevant period, learned counsel submits that it is erroneously recorded therein that the details of the bank statement needs to be verified.*

3. *Mr. B. Ramana Kumar, learned senior standing counsel, submits in reply that the assessee is under an obligation to establish that the amount escaping assessment is less than Rs.50,00,000/-. He submits further that both the cash deposit and the time deposit qualify as assets and that the assessing officer was justified in adding the two to compute total income escaping assessment.*

4. *The operative paragraph of the impugned order reads as under:*

"3. In response to the said notice u/s 148A(b), assessee replied on 28.03.2022. According to assessee "He deposited in cash Rs.25,90,000/- and the same has been deposited as fixed deposit. Hence, the amount of income escaped is less than 50 lakhs." Assessee submitted bank statement also for the relevant financial year.

I have considered the reply of assessee and the same is not acceptable because of the following reasons:

Though the assessee stated as the cash deposit again deposited as fixed deposit, the details of bank statement and others need to be verified.

Thus income in the form of asset has escaped assessment is not less than Rs.50 lakhs."

5. *It is evident from the above that the assessing officer failed to examine the bank statement so as to verify whether the cash deposits were used for purposes of creating the fixed deposit. In spite of the assessee providing the bank statement, this exercise was not undertaken. Without undertaking this exercise, it cannot be rationally determined as to whether income in the form of an asset of the value not less than Rs 50,00,000/- had escaped assessment during the relevant assessment year.*

6. *On perusal of the bank statement, it appears that the petitioner has an arguable case to contend that the cash deposits were used for purposes of creating the fixed deposit. Therefore, the matter warrants reconsideration. Consequently, the impugned order under Section 148A(d) and notice under Section 148 of the I-T Act are set aside and the matter is remanded to the assessing officer. After providing a reasonable opportunity to the petitioner, a fresh order shall be issued under Section 148A(d) of the I-T Act within two months from the date of receipt of a copy of this order."*

6.5. Thus, the Hon'ble Madras High Court has noted the fact that the Assessing Officer failed to examine the bank statement so as to verify correct and actual transactions of cash deposit and then set aside the notice issued u/sec.148

of the Act and the matter was remanded to the Assessing Officer for passing a fresh Order u/sec.148A(d) of the Act, after giving reasonable opportunity to the assessee. The Hon'ble Bombay High Court in the case of **Naresh Balachandra Rao Shinde vs. ITO** (supra), has also considered this issue in Para nos.6 to 9 as under:

“6. *We have heard the learned counsel for the parties and we have perused the documents on record. To consider whether the writ petition could be entertained, it would be necessary to refer to certain undisputed facts. The notice under section 148 A(b) dated 23-3-2022 grants time to the petitioner to respond to the same by 29-3-2022. The period as granted is less than seven days as prescribed by section 148A(b) of the Act of 1961. Nevertheless, the petitioner has responded to the notice by his reply dated 29-3-2022.*

Alongwith the reply, copy of the registered sale deed dated 3-2-2015 indicating that it was his daughter who had purchased the immovable property therein was supplied. The petitioner's daughter is separately assessed for tax. The name of the petitioner is mentioned as special power of attorney holder for his daughter. The registered sale deed clearly indicates that the petitioner is not the purchaser of the immovable property mentioned therein but it is his daughter, a separate assessee. The amount of consideration mentioned is Rs.40,00,000/- and it is stated that the purchaser had availed housing loan for the same. On a bare perusal of the registered sale deed, it becomes evident that the petitioner is not the purchaser of the said property as stated in the notice issued

under section 14BA (b) of the Act of 1961. Despite supplying copy of the registered sale deed to the Assessing Officer, it has not been taken into consideration by him before passing the order under section 148A(d) of the Act of 1961. The same thus clearly indicates lack of application of judicious mind to the material on record. The amount of Rs.40,00,000/- as mentioned in the notice issued on 23-3-2022 under section 148A(b) thus deserves to be excluded from consideration.

7. *As regards deposit of cash of Rs.16,20,000/- is concerned, the petitioner had sought disclosure of the material of the source of information on the basis of which such notice was issued. The petitioner denied having deposited the aforesaid amount in his bank account. The material/source of information was not supplied to the petitioner. Be that as it may, even if the amount of Rs.40,00,000/- as mentioned in the notice dated 23-3-2022 is excluded from consideration for the reason that the petitioner is not the purchaser of the property in question, the amount remaining for consideration is Rs.20,71,500/- and Rs.16,20,000/- thus totaling Rs.36,91,500/-. In this regard, if the provisions of Section 149(1)(b) of the Act of 1961 are considered, it is seen that only if the amount in question that is likely to have escaped assessment is Rs.50,00,000/- or more, the time limit for issuing notice to re-open the assessment is three years but less than ten years. Thus if the income that is likely to escape assessment is only Rs.36,91,500/- after excluding the amount of Rs.40,00,000/-, it is clear that the proceedings are not liable to be re-opened as the amount involved is less than the one contemplated under section 149(1)(b) of the Act of 1961 and the same pertains to Assessment Year 2015-16. The notice under section 148(b) is dated 23-3-2022 which is beyond the permissible*

period of three years. On this count, a case for interference has been made out.

8. *In the light of this undisputed position, it would be futile to require the petitioner to face proceedings under section 148 of the Act of 1961. The material on record that was placed before the Assessing Officer warranted consideration especially in the light of the fact that the document relied was a registered sale deed. If the amount of Rs.40,00,000/- mentioned therein is excluded from consideration, the notice as issued on 23-3-2022 falls foul of the provisions of section 149(1)(b) of the Act of 1961. Hence for this reason, we do not find that the petitioner should be required to further contest the proceedings under section 148 of the Act of 1961.*

9. *In that view of the matter, the order dated 31/3/2022 passed under section 145A(d) of the Income-tax Act, 1961 as well as notice dated 31-3-2022 issued under section 148 of the Act of 1961 are quashed and set aside. The respondents are free to take appropriate steps in accordance with law.”*

6.6. Therefore, in view of the Judgment of the Hon'ble Supreme Court in the case of **CIT vs. Vegetable Products Ltd. [1973] 88 ITR 192 (SC)**, we follow the Judgment of Hon'ble Madras High Court as well as Hon'ble Bombay High Court (supra) in deciding the issue in favour of the assessee. Accordingly, in the facts and circumstances of the case, when the actual transaction of cash deposit in the bank account of the assessee is only Rs.38,10,000/- then, the notice issued

by the Assessing Officer after 03 years from the end of the assessment year under consideration is barred by limitation and liable to be set aside. We Order accordingly.

6.7. Since, we have set aside the notice issued u/sec.148 of the Act being barred by limitation, it vitiates the re-assessment order passed by the Assessing Officer therefore, the other grounds raised by the assessee become infructuous and not taken up for adjudication.

7. In the result, appeal of the Assessee is allowed.

Order pronounced in the open Court on 17.04.2026.

Sd/-
[MADHUSUDAN SAWDIA]
ACCOUNTANT MEMBER

Sd/-
[VIJAY PAL RAO]
VICE PRESIDENT

Hyderabad, Dated 17th April, 2026

VBP

Copy to:

1.	Adilakshmi Vangala, H.No.8-3-231/A374, Krishnanagar, Yousufguda, Hyderabad – 500 045. Telangana.
2.	The Income Tax Officer, Ward-6(1), IT Tower, AC Guards, Masab Tank, Hyderabad – 500 028. Telangana.
3.	The Pr. CIT, Hyderabad.
4.	The DR, ITAT, “SMC” Bench, Hyderabad.
5.	Guard file.

BY ORDER