

APHC010484212025



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3529]

FRIDAY, THE SIXTH DAY OF MARCH
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

INCOME TAX TRIBUNAL APPEAL NO: 53/2025

Between:

1. BATHINA SRILAKSHMI, W/O KUMAR SWAMI REDDY R/O D.NO.
24/161, SHANTI NAGAR, NELLORE, 524003, ANDHRA PRADESH,
INDIA ADAPB3438J

...APPELLANT

AND

1. INCOME TAX OFFICER, WARD-2, NELLORE RAMJI NAGAR,
NELLORE, ANDHRA PRADESH 524003

2. THE PRINCIPAL COMMISSIONER OF INCOME TAX, TIRUPATI 18-1-
504/24/B, KT RD, RS GARDENS, BHAVANI NAGAR, TIRUPATI,
ANDHRA PRADESH 517501

...RESPONDENT(S):

Appeal under section _____ against orders pleased to call for record and set aside the order of the Income Tax Appellate Tribunal, (ITAT), 'B' Bench, Hyderabad in common orders in ITA NO. 83/Hyd/2019 (For A.Y. 2014-15), dated 16.05.2025 for the AY. 2014-15 and set aside the same

IA NO: 1 OF 2025

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to dispense with the Certified Copy of the order/decreed dated

16.05.2025, passed in ITA NO. 83/Hyd/2019 (For A.Y. 2014-15), on the file of the ON THE FILE OF THE INCOME TAX APPELLATE TRIBUNAL, HYDERABAD, 'B' BENCH, HYDERABAD in the above I.T.T.A. and pass

Counsel for the Appellant:

1.P PAVAN KUMAR RAO

Counsel for the Respondent(S):

1.Y N VIVEKANANDA

Date of Reserved	:	17.02.2026
Date of Pronouncement	:	06.03.2026
Date of Upload	:	06.03.2026

The Court made the following Order:

(per Hon'ble Sri Justice R. Raghunandan Rao)

Heard Sri P. Pavan Kumar Rao, learned counsel appearing for the appellant, and Sri Y.N. Vivekananda, learned Standing Counsel appearing for the respondents.

2. This appeal is filed against the judgment of the Income Tax Appellate Tribunal Hyderabad 'B' Bench, Hyderabad, dated 16.05.2025 in ITA.No.83/Hyd/2019 relating to the assessment order 2014-15 of the appellant.

3. The appellant had initially filed a return of income declaring her income as Rs.2,48,490/-. In the course of the assessment proceedings, the assessing authority found that the appellant had a cash balance of Rs.2,01,83,834/- on 01.03.2014 but had made certain cash payments, which exceeded the amount available with her. On that basis, the assessing authority took the view that no explanation has been given regarding the deficit/negative cash balance of Rs.1,82,34,150/-, as on 26.03.2014, and therefore, held the said negative cash balance as her income from unexplained sources. This view was taken by the Assessing Officer, after rejecting the contention of the appellant that she had received cash gifts of Rs.1.83 crores.

4. Aggrieved by the said order of assessment, the appellant approached the Commissioner of Income Tax, Appeal, Tirupathi. The

Commissioner accepted the explanation given by the appellant as to how she had received such cash gifts and allowed her appeal. Against this order, dated 28.11.2018, the department went in appeal before the Appellate Tribunal which reversed the order of Commissioner, Appeals, by the aforesaid order dated 16.05.2025.

5. The appellant, before the assessing officer had filed a letter, dated 05.12.2016, stating that cash gifts were received by her from "others" and had filed self signed receipt vouchers, for the amount of Rs.1.83 crores. As the details of these "others" were not furnished, the assessing officer had rejected such a claim on the ground that the appellant had not established the identity or creditworthiness of the donors or the reasons for which she received such gifts. The assessing officer took the view that the said exercise, by the appellant, was only to cover up the negative cash balance.

6. At the stage of appeal, the appellant contended that she had received a cash gift of Rs.1.83 crores on 05.03.2014, from her grandmother and that this gift, though received on 05.03.2014, was wrongfully posted in the books of account on 31.03.2014. The appellant was called upon to explain the source of income of the grandmother of the appellant, who is said to have given such a gift to the appellant. In response, the appellant contended that her grandmother had withdrawn Rs.3.5 crores from her capital account in a firm, named M/s. R.R Estates and Projects, Bangalore, in which she was a partner. This claim of the appellant was disputed by the assessing authority,

before the Commissioner, Appeals. The Assessing Officer obtained information in relation to the accounts of M/s. R.R Estates and Projects from the Income tax authorities in Bangalore. In response to the query raised by the Assessing Officer, the income tax authorities in Bangalore informed the assessing officer that M/s. R.R. Estates and Projects had not filed its return of income for the assessment year 2014-15. The assessing officer on this basis had contended that no sanctity can be given to such claims as M/s. R.R. Estates and Projects, Bangalore itself had not filed any income tax returns. The Commissioner of Income Tax had held that the objections of the assessing officer were not justified as a declaration had been given by the grandmother of the appellant regarding the gift made by her and the same should be accepted. The Appellate Tribunal did not accept this view of the Commissioner and had held that the alleged gift of Rs.1.83 crores in cash, to the appellant cannot be believed as the source of income of the donor herself was suspect and there was no material to show that she had such a source of income. It may also be noted that the grandmother of the appellant had passed away in the year 2016 itself.

7. Sri P. Pavan Kumar Rao would contend that the Tribunal could not have taken such a view, as the Commissioner was correct in accepting the declaration made by the grandmother of the appellant.

8. We are in agreement with the view of the Tribunal that the claim of the appellant, that she received a cash gift from her grandmother cannot be

accepted as the sources of such funds, in the hands of the grandmother of the appellant, have not been placed before the authorities. Another aspect, which has also been raised by the Tribunal, is the fact that the appellant, at the stage of assessment, had merely stated that she had received cash gifts from "others" while she took the stand, at the stage of appeal, that such cash gifts had been given to her by her grandmother. If this was true, the appellant would have named her grandmother as the source of her gift, and would not have stated that she had received gifts from "others".

9. For all the aforesaid reasons, we do not find any ground to interfere with the order of Tribunal and this Appeal is dismissed.

As a sequel, pending miscellaneous petitions, if any, shall stand closed. There shall be no order as to costs.

R. RAGHUNANDAN RAO, J

T.C.D. SEKHAR, J

RJS

THE HON'BLE SRI JUSTICE R. RAGHUNANDAN RAO
&
THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

I.T.T.A.No.53 of 2025

(per Hon'ble Sri Justice R.Raghunandan Rao)

06.03.2026

RJS

