

passed under section 148A(d) of the Act, dated 23.03.2023, which is to the following effect:



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

To, LALITHA KUCHIBHATLA D NO 8 3 272 NEW STREET , TIRUPATI CHITTOOR 517501 , Andhra Pradesh India	
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PAN: AXDPK2304D	A.Y: 2016-17	Dated: 23/03/2023	DIN & Notice No: ITBA/AST/F/148A/2022-23/1051175922(1)
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Name of the assessee	LALITHA KUCHIBHATLA
Address of the assessee	D NO 8 3 272 NEW STREET , TIRUPATI CHITTOOR 517501 , Andhra Pradesh India
Email of the assessee	SHARMAKSRS@GMAIL.COM
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	22/03/2023

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

The case of the assessee, Smt. LALITHA KUCHIBHATLA(PAN:AXDPK2304D) was flagged as per the 'Risk Management Strategy' formulated by the CBDT in Insight portal under the head 'RMS-Non filing of return-PAN Cases ' for the Asst. Year 2016-17. As per the information received, the assessee has carried out the following transactions during the Financial Year 2015-16 relevant to the Assessment Year 2016-17:

Sl. No.	Information Code	Information Description	Source	Amount Description	Amount in (RS.)
1	AIR-001	Deposited cash of Rs. 10,00,000 or more in a saving bank account	STATE BANK OF INDIA CORPORATE CENTRE	Amount	14,23,000
2	TDS-194A	TDS Statement - Interest other than interest on securities (Section 194A)	THE REPATRIATES CO OPERATIVE FINANCE AND DEVELOPMENT BANK LIMITED	Amount paid or credited	7,891
3	AIR-006	Purchased immovable property valued at Rs. 30,00,000 or more	DISTRICT REGISTRAR OFFICE TIRUPATHI	Amount	85,00,000

However, the assessee has not filed the Return of Income for the Asst. Year 2016-17.

2. As per the provisions of Explanation 1 (i) of section 148, 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. Section 149(1)(b) of the Income Tax Act, 1961 is reproduced as under:

'No notice under section 148 shall be issued for the relevant assessment year,-

[(b) if three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of—

(i) an asset;

(ii) expenditure in respect of a transaction or in relation to an event or occasion; or

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(iii) an entry or entries in the books of account,

which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more.]

Explanation:- For the purposes of clause (b) of this sub-section, "asset" shall include immovable property, being land or building or both, shares and securities, loans and advances, deposits in bank account.

4. It is pertinent to mention here that the purchase of immovable property and Cash deposits in bank and interest receipts by the assessee fall under the scope of "assets" within the meaning of Explanation to section 149(1) of the Income Tax Act, 1961. Further, the value of said asset(s) amounts to more than fifty lakh rupees. It is further noticed that the assessee has not filed Return of income for AY 2016-17. In the absence of filing of Return of Income, the source for the purchase of immovable property and Cash deposits in bank and interest receipts remains unexplained and consequently, the income in relation to the same has escaped assessment. Accordingly, it is required to be considered that the above information available with the Assessing Officer reveals that the income chargeable to tax represented in the form of asset which has escaped assessment amounts to more than fifty lakh rupees. Thus, the conditions laid down in Section 149(1)(b) of the IT Act, 1961 are found to be satisfied in the case of the assessee for the year under consideration, based on the information available with the Assessing Officer.

5. As the information available with the Assessing Officer suggests that income chargeable to tax for the A.Y.2016-17 has escaped assessment, an opportunity of being heard as per the provisions of section 148A(b) of the Income Tax Act, 1961 was provided to the assessee by issuing a show cause notice vide DIN & Notice No: ITBA/AST/F/148A(SCN)/2022-23/1050365350(1) dated 3/3/2023, wherein the assessee was requested to show-cause as to why a notice u/s.148 of the Income Tax Act, 1961 should not be issued on the basis of the said information. *The same has been served through EMAIL on 3/3/2023.*

6. As per the show cause notice, the assessee was required to furnish reply on or before 13/3/2023. The assessee submitted reply through e-Proceedings on 11.03.2023 and the same is reproduced hereunder:

"Sir/Madam, With respect to the above notice issued, I would like to disclose the details which you have mentioned in the notice. A detailed explanation for the notice is given below. 1.We have enclosed the bank statement for the F.Y 2015-2016 which discloses the deposits of an amount of Rs.14,23,000/-. Such amount has been deposited by family members(blood relations) on certain dates. The above said deposits has been utilized for the purchase of immovable property. 2.We also enclosed the TDS Statement (interest certificate)for the F.Y 2015-2016. we would like to inform that the TDS statement is showing an amount of Rs.569/-deducted as TDS for F.Y 2015-16. But we have received the notice for

Rs.7891/- So, the balance amount of Rs.7322/- does not belong to us. 3. This to bring to your kind notice that an immovable has been purchased in the F.Y 2015-16 for an amount of Rs.85,00,000/- (out of which 75,00,000 has taken as loan (loan sanction letter is disclosed) and balance of Rs.10,00,000/- paid by cash). The detailed documentation has been done regarding the purchase of the asset and it is enclosed below. enclosures: 1. Bank statement for the financial year 2015-2016. 2. Statement of TDS-Interest Certificate. 3. Immovable property purchase document, loan sanction letter."

7.1 On verification of the bank statement of SBI, it is noticed that the assessee had made cash deposits of Rs 14,23,000 during the F.Y. 2015-16. The assessee vide her reply admitted that the quantum of deposits are correct and claimed that the said deposits were made by her family members. However, in the absence of any supporting evidence, the claim of the assessee cannot be confirmed. Hence, the cash deposits of Rs 14,23,000 reflecting under the information code-AIR-001 is treated as unexplained. The assessee in her reply furnished interest certificate from Repco Bank and it is noticed that the assessee had received interest of Rs 10,434 from the bank out of the deposits made in the F.Y. 2013-14. Hence, the sources for the interest of Rs 10,434 are treated as explained.

7.2 The assessee in her reply admitted that she had purchased an immovable property in the F.Y 2015-16 for an amount of Rs.85,00,000 and the sources for the same are claimed as (1) Loan from SBI of Rs 75 lakhs and (2) Rs 10 lakhs in the form of cash available with her. However, the assessee did not furnish supporting evidence of financial creditworthiness for availing such huge amount of loan from SBI. Also, the assessee has not brought on record details about filing of returns of income for the previous Assessment Years. In the absence of Return of Income for the A.Y. 2016-17, the sources for the purchase of immovable property cannot be fully verified. Thus, the transaction of purchase of property for Rs 85 lakhs is treated as unexplained.

7.3. Thus, the value of cash deposits of Rs 4,23,000 (Out of total cash deposits reflecting under AIR-001 of Rs 14,23,000, the assessee claim that Rs 10 lakhs was paid in cash for the purpose of immovable property is considered. Hence balance of Rs 4,23,000 only stands unexplained) and purchase of immovable property for Rs 85 lakhs is treated as unexplained. The aggregate value of these unexplained transactions amounts to Rs 89,23,000.

8. Having regard to the information available which suggests that income represented in the form of 'asset' amounting to Rs 89,23,000 , which is more than Rs. 50 lakh, has escaped assessment for the Asst. Year 2016-17 in the case of the assessee and on the basis of material available on record, as discussed in the preceding paragraphs, it is concluded that the case of Smt. LALITHA KUCHIBHATLA(PAN:AXDPK2304D) is a fit case for issuance of notice u/s 148 of the Act for the A.Y. 2016-17.

9. - This order is passed with the prior approval of the Principal Chief Commissioner of Income Tax, A.P. & Telangana.

9. On perusal of above, it is evident that the order under section 148A(d) of the Act was passed by JAO on 23.03.2023. We

have also gone through the notice issued under section 148 of the Act, which is to the following effect:



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

To, LALITHA KUCHIBHATLA D NO 8 3 272 NEW STREET , TIRUPATI CHITTOOR 517501 , Andhra Pradesh India	
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PAN: AXDPK2304D	A.Y: 2016-17	Dated: 23/03/2023	DIN & Notice No: ITBA/AST/S/148 1/2022- 23/1051176059(1)
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Notice under section 148 of the Income-tax Act,1961

Sir/Madam/ M/s.

1. 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/2022-23/1051175922(1)** dated **23/03/2023** and annexed herewith for reference,

2. 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**.

SIVA SANKAR SADEENI
WARD 1(1),TIRUPATI

10. On perusal of the above, it is evident that the notice under section 148 of the Act was also issued by the JAO on 23.03.2023. Further, we have carefully examined the CBDT Notification No. 18/2022 dated 29.03.2022, issued in exercise of power conferred under section 151A(1) and (2) of the Act, which is to the following effect:

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)
NOTIFICATION

New Delhi, the 29th March, 2022

S.O. 1466(E).—In exercise of the powers conferred by sub-sections (1) and (2) of section 151A of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following Scheme, namely:-

1. Short title and commencement.—(1) This Scheme may be called the e-Assessment of Income Escaping Assessment Scheme, 2022.

(2) It shall come into force with effect from the date of its publication in the Official Gazette.

2. Definitions.—(1) In this Scheme, unless the context otherwise requires, —

(a) “Act” means the Income-tax Act, 1961 (43 of 1961);

(b) “automated allocation” means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources.

(2) Words and expressions used herein and not defined, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Scope of the Scheme.—For the purpose of this Scheme,—

(a) assessment, reassessment or recomputation under section 147 of the Act,

(b) issuance of notice under section 148 of the Act,

shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee.

[Notification No. 18/2022/F. No. 370142/16/2022-TPL(Part1)]

SHEFALI SINGH, Under Secy.

11. On perusal of para no. 3 of the said notification, it is evident that the assessment, re-assessment or re-computation under section 147 of the Act and any notice to be issued under section 148 of the Act on or after 29.03.2022 shall be in accordance with the Faceless Assessment Scheme by the FAO. Hence, on perusal of the order under section 148A(d) of the Act, notice issued under section 148 of the Act and the CBDT notification, we find that in the present case, the order passed under section 148A(d) and the notice issued under section 148 of the Act was on 23.03.2023, i.e., after the said CBDT notification came into effect. However, in terms of the CBDT Notification, the JAO ceased to have authority to issue notice under section 148 of the Act w.e.f. 29.03.2022. It is manifest from the above that the issue of notice under