



**IN THE INCOME TAX APPELLATE TRIBUNAL  
(DELHI BENCH “SMC” : NEW DELHI)**

BEFORE SHRI MAHAVIR SINGH, HON’BLE VICE PRESIDENT

ITA No. 874/Del/2025  
Asstt. Year : 2017-18

NEHA SINGH,  
D-119, 3<sup>RD</sup> FLOOR, SARITA VIHAR,  
NEW DELHI – 110 076  
**(PAN: CKSPS4013F)**  
**(Appellant)**

VS. INCOME TAX OFFICER,  
WARD 72(1), DELHI  
  
**(Respondent)**

Appellant by : Shri Sudarshan Roy, Adv. &  
Shri Ujjawal Garg, AR  
Respondent by : Shri Shyam Manohar Singh, Sr. DR.

Date of Hearing	08.05.2025
Date of Pronouncement	11.06.2025

**ORDER**

This appeal by the assessee is emanating from the order of the NFAC, Delhi in Appeal No. ITBA/NFAC/S/250/2024-25/1069313809(1) dated 01.10.2024 relating to assessment year 2017-18.

2. Heard both the sides and perused the records.

3. At the threshold, it is noted that there is a delay of 48 days in filing the appeal before the Tribunal and during the hearing, it is observed that reasonable cause has been attributed to the assessee for filing the belated appeal. Hence, I condone the delay in dispute and proceed further.

4. Brief facts of the case are that AO made the addition of Rs.28,80,000/- by noting that assessee deposited cash in bank account during demonetization period from undisclosed sources, as the sources were neither properly explained, the onus is on the assessee’s to prove that the cash deposits, hence, AO added the same to the income of the assessee as income from undisclosed sources and the same was taxed u/s. 115BBE @ 60%. However, in appeal, Ld. First Appellate Authority sustained the addition. Against the above, assessee appealed before the Tribunal.

5. Upon careful consideration, I note that it was the contention of the assessee before the AO, that the addition made by the AO on account of cash deposited worth Rs. 28,88,000/- during demonetization period. The assessee deposited Rs. 13,50,000/- in SBI and Rs. 1,53,50,000/- in City Bank and during the assessment proceedings, the AO provided various opportunities to the assessee and the assessee made the submission that the cash is deposited out of accumulation of her mother and her sister. However, the AO did not accept the submission as source of the cash was not properly linked with the Bank accounts of the mother and sister of the assessee. AO observed that reasonable explanation was not supplied to him by the assessee for holding of so much amount of cash in the house and depositing the same after the demonetization order. Similarly, Ld. CIT(A) noted that the earning of the mother and the sister and their source of cash has not been explained before him and it is also not clear how so much amount of cash was kept at home and in the absence of evidences, Ld. CIT(A) sustained the addition. Before me, Ld. AR has submitted that Ld. CIT(A) sustained the addition of Rs. 28,88,000/- failing to appreciate that the said cash deposit was in fact out of cash savings by mother and other family members. It was further submitted that the said cash belonged to the mother of assessee and given back to her mother after opening bank account in mother's name. In order to prove his version, he filed a Paper Book containing pages 1-148 which includes copy of acknowledgement of return of income filed by the assessee for the assessment years 2011-12 to 2017-18 showcasing adequate income of the assessee; copy of summary sheet of total deposits and withdrawals made by the assessee and her sister starting from AY 2012-13 upto AY 2019-20.; copy of statement of account bearing account no. 02050040005717 maintained by the assessee with Kotak Mahindra Bank for the period 29.8.2011 upto 08.10.2018 reflecting total deposit of Rs. 30,49,642.53 and total withdrawal of Rs. 27,39,095.49; copy of statement of account bearing account no. 632201530033 maintained by assessee's sister namely Anjana Singh with ICICI Bank for AY 2012-13 upto AY 2017-18; copy of details of salary earned by the assessee for the period 27.11.2009 upto 29.5.2015 amounting to a total of Rs. 34,02,576/-; copy of withdrawals made by the assessee from her City Bank account; copy of details of salary earned by Anjana Singh (sister of the assessee); copy of cash withdrawal by Anjana (sister of the assessee); copy of details of amount transferred by Anjana Singh (sister of the

assessee) to the assessee and other relevant documents/evidences mentioned in the said Paper Book, as referred above. I have given my thoughtful consideration to the assessee's contentions before the lower authorities and the documents/evidences placed before me as well as Revenue's contention in support of the impugned addition. I find no reason to accept either parties stand in entirety. This is for the precise reason that neither the assessee has been able to properly explain the source of full cash deposits nor the department could simply brush aside all the relevant evidences at one go. Be that as it may, the tribunal is of the considered view that in these peculiar facts, it is deemed appropriate in the larger interest of justice to confirm the impugned addition of Rs.28,88,000/- to Rs.3,88,000/- only with a rider that the same shall not be as a precedent. The assessee gets relief of Rs. 25,00,000/- in other words. Necessary computation shall follow as per law.

6. So far as assessee's assessment u/s. 115 BBE of the Act is concerned, in view of Hon'ble Madras High Court in SMILE Microfinance Ltd. vs. ACIT in WP(MD) no. 2078 of 2020 & 1742 of 2020 dated 19.11.2024 (Mad.) has already settled the issue against the department that the law applies to the transaction on or after 01.04.2017 only.

7. The instant assessee's appeal is partly allowed in the aforesaid terms.

Order pronounced in the Open Court on 11.06.2025.

Sd/-

**(MAHAVIR SINGH)**  
**VICE PRESIDENT**

***SR Bhatnagar***

**Copy forwarded to: -**

1. Appellant
2. Respondent
3. DIT
4. CIT (A)
5. DR, ITAT

By Order,

Assistant Registrar, ITAT, Delhi Bench