



IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI "SMC" BENCH : MUMBAI

BEFORE JUSTICE (RETD.) SHRI C.V. BHADANG, PRESIDENT  
AND  
SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER

ITA No. 6477/Mum/2025  
Assessment Year : 2017-18

Ameeta Paramanand Nadkarni, 201, Dunhill Tower, High Land Complex, Charkop, Kandivali (West), Mumbai-400067. PAN : AFGPN4016G	vs.	Income Tax Officer, Ward-42(1)(1), R.No. 703, 7 <sup>th</sup> Floor, Kautilya Bhavan, Bandra Kurla Complex, Bandra East, Mumbai-400051.
(Appellant)		(Respondent)

For Assessee :	Shri Dinesh R. Shah & Ms. Priya Fofaliya
For Revenue :	Ms. Nidhi Agarwal, Sr.DR (Virtually present)

Date of Hearing :	04-12-2025
Date of Pronouncement :	17-12-2025

**ORDER**

**PER VIKRAM SINGH YADAV, A.M :**

This is an appeal filed by the assessee against the order of the Ld.ADDL/JCIT(A)-1, Delhi, dated 29-08-2025, pertaining to Assessment Year (AY) 2017-18, wherein the assessee has challenged the sustenance of addition of Rs. 7,64,940/- u/s. 69A r.w.s. 115BBE of the Income Tax Act, 1961 ('the Act').

2. Briefly stated, facts of the case are that the assessee filed her return of income declaring total income of Rs. 8,57,020/-, which was selected for scrutiny and thereafter notices u/s. 143(2) and 142(1) of the Act were issued and the explanation of the assessee was called for by the AO in respect of cash deposit during the course of demonetization period amounting to Rs. 17,56,500/-. In response, the assessee filed her submissions which were considered, but not found fully acceptable and as against the deposits of Rs. 17,56,500/-, deposits to the extent of Rs. 9,91,560/- were found acceptable and the remaining amount of Rs. 7,64,940/- was brought to tax as un-explained money u/s. 69A r.w.s. 115BBE of the Act.

3. The assessee thereafter carried the matter in appeal before the Ld.CIT(A), who has dismissed the appeal for the reason that the assessee has opted for Vivad-Se-Viswas Scheme, 2020 and Form-3 has been issued by the competent authority. Against the said order, the assessee is in appeal before us.

4. During the course of hearing, the Ld.AR submitted that the assessee intended to avail the settlement scheme, however, after the issuance of Form 3, she didn't proceed further and has not paid any taxes as so specified in Form-3. It was accordingly submitted that the assessee has therefore not availed the benefit of the Vivad-Se-Viswas Scheme, 2020 in absence of payment of requisite taxes as so determined by the competent authority and, therefore, the basis of dismissal of the appeal by the Ld.CIT(A) is not correct and appeal of the assessee has been dismissed basis lack of appreciation of correct facts. It was further submitted that during the course of assessment proceedings, the assessee has submitted that the source of cash deposits was out of the earlier cash withdrawals

made by the assessee from her bank account as well as the bank account of her mother, who could not operate her own bank account due to old age and for medical treatment, she has asked the assessee to withdraw the money from her bank account. It was submitted that the AO has primarily worked out 25% of the cash withdrawals for financial year 2015-16 and 70% of cash withdrawals for the financial year 2016-17 as the source of cash deposit, wherein the assessee has already shown the withdrawals for expenses to the tune of Rs. 19,12,203/- in financial year 2015-16 and Rs. 20,97,437/- in financial year 2016-17 from her other savings account towards house-hold expenses and other related miscellaneous expenses. It was further submitted that the assessee is a regular income tax payee and has been consistently filing her tax returns for the past many years and the AO has arbitrarily reduced her Streedhan from Rs. 5 lakhs to Rs. 2 lakhs. It was accordingly submitted that where the cash withdrawal and Streedhan available with the assessee are taken into consideration, the same will demonstrate that the assessee has requisite cash in hand for deposit of cash during the period of demonetization. It was accordingly submitted that the addition so made by the AO be directed to be deleted.

5. The Ld.DR has been heard who has not rebutted the Ld.AR submission that the assessee has not availed of the settlement scheme and has not paid the taxes as so determined by the Competent authority. At the same time, she has supported the order and the findings of the AO. It was submitted that out of cash deposits of Rs. 17,56,500/-, the AO has already allowed the benefit of Rs. 9,91,560/- to the assessee and as far as the remaining amount of Rs. 7,64,940/- is concerned, in absence of acceptable explanation furnished by the assessee, the AO has brought the said amount to tax as un-explained cash deposit.

6. We have heard the rival contentions and perused the material available on record. Admittedly and undisputedly, the assessee has not paid the taxes as so determined by the competent authority and has thus not availed of the benefit of the VSV Scheme and therefore, deserve to be heard on merits of her appeal.

7. The issue under consideration relates to nature and source of cash deposits in the bank account maintained by the assessee. During the assessment proceedings, the assessee has tendered her explanation and has stated that she is a regular tax payer, consistently filing her tax returns and the source of cash deposits is out of earlier cash withdrawals from her bank account as well as from her mother's bank account who has been staying with her as well as from her past savings/streedhan and thus sufficient cash in hand prior to date of deposit. The assessee has also submitted the purpose for which she has kept the cash at home in order to meet the medical emergency in the family due to old age of her parents and in-laws. The assessee has also submitted that there were sufficient other withdrawals from her savings accounts to meet the household expenses, etc. and therefore, we do not find any basis to restrict cash withdrawals on arbitrary basis as so done by the AO to arrive at availability of cash-in-hand. Further, no basis has been given by the AO to restrict the quantum of Streedhan as so claimed by the assessee and the reason why cash withdrawals from assessee mother's bank account has not found favour with him. We however find the explanation so tendered by the assessee as a plausible explanation, the factum of cash withdrawals and availability thereof being not in dispute and see no justifiable reason but to accept the same in the peculiar facts and circumstances of the present case. As held by the Hon'ble Delhi High Court in case of *Jaya Aggarwal vs. ITO* [2018] 92 taxmann.com 108 (Delhi), persons can behave

differently even when placed in similar situation and due regard and latitude to human conduct and behavior has to be given and accepted when we consider validity and truthfulness of an explanation. In light of the same, the addition so made and sustained by the Ld. CIT(A) is hereby deleted and the AO is directed to give necessary relief to the assessee.

8. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 17-12-2025

Sd/-

(JUSTICE (RETD.) C.V. BHADANG)  
PRESIDENT

Sd/-

(VIKRAM SINGH YADAV)  
ACCOUNTANT MEMBER

Mumbai,  
Dated: 17-12-2025

TNMM

Copy to :

- 1) The Appellant
- 2) The Respondent
- 3) The CIT concerned
- 4) The D.R, ITAT, Mumbai
- 5) Guard file

By Order

Dy./Asst. Registrar  
I.T.A.T, Mumbai