

आयकर अपीलीय अधिकरण न्यायपीठ "एक-सदस्य" मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAIPUR BENCH "SMC", RAIPUR**

**श्री रवीश सूद, न्यायिक सदस्य के समक्ष  
BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER**

आयकर अपील सं. / ITA No.28/RPR/2025

निर्धारण वर्ष / Assessment Year : 2017-18

Nidhi Jain  
C/o. Deshlahra Industries,  
Nandini Road, Bhilai  
Durg (C.G.)-490 001  
PAN: AFHPJ2470H

.....अपीलार्थी / Appellant

**बनाम / V/s.**

The Income Tax Officer,  
Ward-1(1), Bhilai (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : None  
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 11.02.2025

घोषणा की तारीख / Date of Pronouncement : 19.02.2025

**आदेश / ORDER****PER RAVISH SOOD, JM:**

The present appeal filed by the assessee is directed against the order passed by the ADDL/JCIT(A)-3, Delhi, dated 25.10.2024, which in turn arises from the order passed by the A.O under Sec.143(3) of the Income-tax Act, 1961 (in short 'the Act') dated 12.12.2019 for the assessment year 2017-18. The assessee has assailed the impugned order on the following grounds of appeal:

“1.Upholding addition of Rs.4,50,000/- made by the Assessing Officer on account of unexplained cash deposit during demonetization and added the same u/s. 69A of the I.T Act.

2. That the addition made by the A.O is arbitrary, illegal and is not justified.

3. The appellant craves leave, to add, urge, alter, modify or withdraw any grounds before or at the time of hearing.”

2. At the threshold, I may herein observe that the present appeal involves a delay of 25 days. The assessee has filed an application dated Nil seeking condonation of the delay involved in filing of the present appeal, which reads as under:

To  
**The Hon'ble Income Tax Appellate Tribunal,**  
Raipur Bench, Raipur,

Assessee: **Nidhi Jain,**  
C/o Deshlahra Industries, Nandini Road,  
Bhilai, Durg (C.G.)  
PAN: AFHPJ2470H


Subject: **Prayer for condonation of delay.**

Hon'ble Bench,

In respect of the above matter, the assessment order u/s 143(3) for the AY 2017-18 was passed on 12-12-2019 by the Income Tax Officer, Ward- 1(1), Bhilai (the learned AO) by making an addition of Rs. 5,50,000/- against the returned income of Rs. 2,89,400. Thereafter, the Commissioner of Income Tax, Appeal, ADDL/JCIT(A)-3 Delhi passed order u/s 250 on 25-10-2024 partially accepting; however, **the order u/s 250 of Income Tax Act, 1961 dt. 25-10-24 has not been received by me** and it only came to my knowledge on **07-01-2025**. I am filing appeal before your Hon'ble Bench in Form No.36 against the order on 23-01-2025; there is a **delay of 29 days** in filing the appeal which is **due to lack of communication** to me; the delay is for a bonafide reason; it is beyond the control of the assessee to file an appeal; there is no malafide intention for the alleged delay. It is kindly requested to admit the alleged appeal for your kind adjudication on the matter and obliged.

Submitted, for judicious consideration.

Yours faithfully,

  
Nidhi Jain  
(Assessee)

3. Per contra, Dr. Priyanka Patel, Ld. Sr. Departmental Representative (for short 'DR') did not raise any objection to the seeking of condonation of delay by the assessee appellant.

4. Considering the facts that the impugned delay had occasioned due to bonafide reasons and the same is not inordinate, therefore, I condone the same.

5. Succinctly stated, the assessee had e-filed her return of income for A.Y.2017-18 on 15.03.2018, declaring an income of Rs.2,89,400/-. Subsequently, the case of the assessee was selected for scrutiny assessment through CASS to verify the "cash deposits during demonetization period".

6. During the course of the assessment proceedings, the A.O observed that the assessee had made cash deposits of Rs.5,50,000/- and Rs.7,00,000/- in her bank account No.32654876179 and account No.30265716144 held with State Bank of India. On being queried about the source of the aforesaid cash deposits, it was submitted by the assessee that the bank account No. 30265716144 was a joint account held by her alongwith her husband, viz. Shri Vinod Jain and the cash deposits of Rs.7 lacs made in the said bank account pertained to him. The assessee in order to support her aforesaid claim had placed on record copy of the return of income a/w. consent letter of her husband, viz. Shri Vinod Jain. Apropos the cash deposits of Rs.5.50 lacs that was made in her bank account No. 32654876179 with State Bank of India, it was submitted by the assessee that the same was sourced out of the cash in hand that she

had retained for her personal expenses. The assessee to support her aforesaid claim had filed before the A.O s copy of her balance sheet and capital a/c. as was called for by him. Accordingly, it was the assessee's claim that she was having sufficient cash in hand (SBNs) as on 01.11.2016 during the pre-demonetization period which had sourced the subject cash deposits made in her bank account during the demonetization period. The A.O called for the bank statements of the assessee from State Bank of India for the period 01.04.2016 to 31.03.2017, and observed that the same revealed that the assessee had during the demonetization period made cash deposits of Rs.5,50,000/- in three tranches, viz. (i) 21.11.2016 : Rs.1,50,000/-; (ii) 19.12.2016 : Rs.1,00,000/-; and (iii) 19.12.2016 : Rs.3,00,000/-.

7. Also, a perusal of the bank account of the assessee, reveals that the cash deposits made by her, were thereafter, withdrawn in cash. As the assessee had failed to substantiate the source of the aforesaid cash deposits made during the demonetization period to the satisfaction of the A.O, therefore, the latter held the same as her unexplained money u/s. 69A of the Act. Accordingly, the A.O based on his aforesaid deliberations, had vide his order passed u/s. 143(3) of the Act, dated 12.12.2019 after making an addition of Rs.5,50,000/- determined the income of the assessee at Rs.8,39,400/-.

8. Aggrieved the assessee carried the matter in appeal before the CIT(Appeals). As the assessee despite having been afforded three opportunities i.e. on 31.01.2021, 11.09.2024 and 08.10.2024 had failed to participate in the proceedings before the first appellate authority, therefore, the latter was constrained to proceed with and dispose of the appeal vide an ex-parte order. After deliberating at length, on the facts involved in the case before him, though the CIT(Appeals) principally concurred with the A.O that the assessee had failed to come forth with any explanation as regards the cash deposits of Rs.5,50,000/- made in her bank account, but at the same time was of the view that she at the relevant point of time would have been in possession of cash in hand of Rs. 1 lac for personal purposes. Accordingly, the CIT(Appeals) scaled down the addition made by the A.O u/s. 69A of the Act to Rs.4,50,000/- and allowed a relief of Rs.1 lac.

9. The assessee being aggrieved with the order of the CIT(Appeals) has carried the matter in appeal before the Tribunal. As the assessee appellant despite having been intimated about the fixation of hearing of the appeal has neither put up an appearance nor filed any adjournment application, therefore, I am constrained to proceed with as per Rule 24 of the Appellate Tribunal Rules, 1963 and dispose of the appeal after hearing the revenue respondent and perusing the material available on record.

10. Admittedly, it is a matter of fact borne from record that the assessee in the course of assessment proceedings had failed to come forth with any explanation as regards the source of the cash deposits of Rs.5.50 lacs that was made in her bank account No. 32654876179 with the State Bank of India. Though the A.O had held the entire amount of Rs.5,50,000/- as the assessee's unexplained money u/s. 69A of the Act, but the CIT(Appeals) had scaled down the addition to Rs.4,50,000/-.

11. I have given thoughtful consideration to the facts involved in the present case. At the threshold, I may hereinabove observe that the CBDT Instruction No.03/2017 dated 21.02.2017, which is binding on the revenue, had, inter alia, stated that in case of an individual (either than minors) not having any business income, no further verification is required to be made if total cash deposit is up to Rs.2.5 lakh. Also, it is stated in Instruction No. 03/2017 (supra) that the basis for verification can be the income earned during past years and its source, filing of return of income and income therein shown, cash withdrawals from accounts, etc. For the sake of clarity, the CBDT Instruction No.03/2017 dated 21.02.2017 is culled out as under (relevant extract):

**"1.1 In case of an individual (either than minors) not having any business income, no further verification required to be made if total cash deposit is up to Rs.2.5 lakh.** In case of taxpayers above 70 years age, the limit is Rs.5 lakh per person. The source of such amount can be either household savings/ savings from past income or amounts claimed to have been received from any of the sources mentioned in Paras 2 to 6 below. **Amounts above this cut-off may require verification to ascertain**

**whether the same is explained or not. The basis for verification can be income earned during past years and its source, filing of ROI and income shown therein, cash withdrawals made from accounts etc."**

**(emphasis supplied by me)**

Accordingly, as per the CBDT Instruction No. 03/2017, dated 21.02.2017, it can safely be concluded that out of the cash deposit of Rs.5.50 lac made during the demonetization period in the bank account by the assessee, no adverse inferences could have been drawn by the A.O as regards the cash deposits of Rs.2.50 lacs in the backdrop of the concession given by the CBDT. I, thus, in terms of the aforesaid CBDT Instruction No.03/2017, dated 21.02.2017. I, thus, in terms of my aforesaid observations scale down the addition to Rs.3 lacs [Rs.5,50,000/-(-) Rs.2,50,000/-]. Thus, the **Ground of appeal No.1** raised by the assessee is partly allowed in terms of the aforesaid observations.

12. The **Grounds of appeal No. 2 & 3** being general in nature are dismissed as not pressed.

13. In the result, appeal filed by the assessee is partly allowed in terms of the aforesaid observations.

Order pronounced in open court on 19<sup>th</sup> day of February, 2025.

Sd/-

**(रवीश सूद /RAVISH SOOD)**

न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर/ RAIPUR ; दिनांक / Dated : 19<sup>th</sup> February, 2025.

\*\*\*SB, Sr. PS.

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT-1, Raipur (C.G)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर बेंच,  
रायपुर / DR, ITAT, Raipur Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

**// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur.