

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH**

**BEFORE SHRI INTURI RAMA RAO, AM**

**ITA No. 1108/Coch/2024  
Assessment Year: 2017-18**

Meena Sabu ..... Appellant  
Veliyaparampil, Nelson Mandela Road  
Mulanthuruthi, Ernakulam 682314  
[PAN: DDLPS2737F]

vs.

The Income Tax Officer ..... Respondent  
International Taxation, Trivandrum

Appellant by: Shri Shijo, CA  
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 12.03.2025  
Date of Pronouncement: 27.03.2025

**ORDER**

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 06.09.2024 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant is an individual. No regular return of income was filed u/s. 139(1) of the Income Tax Act, 1961 (the Act). Based on the information that the appellant made cash deposit in specified bank notes (SBN) of Rs. 10,00,000/- during demonetisation period, the Income Tax Officer, Ward-52(1), Delhi (hereinafter called "the AO") issued notice calling upon upon the

appellant to file return of income u/s. 142(1) of the Act. The appellant had not complied with the said notice. During the course of assessment proceedings, it is submitted that the appellant and her husband are NRI's since 1992 residing in Qatar. It was explained that the deposit of Rs. 10,00,000/- was made out of the earlier withdrawals made in the loan accounts and the same was redeposited in the in the bank account. The AO rejected the above explanation for want of proof of details of loan availed and made addition of Rs. 10,00,000/- as unexplained income of the assessee u/s. 144 of the Act vide order dated 20.12.2019 passed u/s. 144 of the Act.

3. Being aggrieved, an appeal was filed before the CIT(A) contending that the cash deposits were made out of earlier withdrawals from loan account and the appellant also filed the statement of cash withdrawals from the Union Bank of India, Federal Bank and State Bank of India. Considering the withdrawals in the above statement the CIT(A) deleted the addition to the extent of Rs. 7,60,000/- and confirmed the balance addition of Rs. 2,40,000/-.

4. Being aggrieved, the appellant is in appeal before the Tribunal in the present appeal.

5. At the outset I find that there is a delay in filing the present appeal by 48 days. The appellant had filed a petition seeking condonation of delay on the ground that the order of the CIT(A) was served on the neighbour near the old address. The email communication of the CIT(A) order was not served on the assessee. Thus, it is prayed that the delay of 48 days be condoned. In the absence of any evidence contrary, I am of

the considered opinion that it is a fit case to condone the delay of 48 days and admit the appeal for adjudication.

6. It is submitted by the learned counsel for the assessee that the addition of Rs. 2,40,000/- by the CIT(A) is a small addition being income below the exemption limit, therefore, the same should be deleted. Further it is submitted that higher rate of tax as prescribed u/s. 115BBE of the Act cannot be applied for the year under consideration placing reliance on the CBDT Instruction No. 03.2007 dated 21.2.2021.

7. On the other hand, the learned Sr. DR, placing reliance on the orders of the lower authorities, submitted that no interference in the impugned order is called for.

8. I heard the rival contentions of both the parties and perused the material available on record. The only issue that arises for my consideration is whether the CIT(A) was justified in sustaining the addition of Rs. 2,40,000/- out of the total addition of Rs.10,00,000/- made by the AO on account of the cash deposits made during the demonetisation period. The Central Board of Direct Taxes had issued clear instruction vide Instruction No. 03.2007 dated 21.2.2021 stating that small deposits of house wives, and individuals without business income should not be scrutinised when the total deposits are within Rs. 2,50,000/-, keeping in view the possibility that the source of such amount can be household savings or the amount claimed to have been received from any of the sources. The addition of Rs.

2,40,000/- deserves to be deleted. Accordingly, I direct the AO to delete the addition of Rs. 2,40,000/-.

9. In the result, the appeal filed by the assessee stands allowed.

10. Order pronounced in the open court on 27<sup>th</sup> March, 2025.

Sd/-  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 27<sup>th</sup> March, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

Assistant Registrar  
ITAT, Cochin