

**THE INCOME TAX APPELLATE TRIBUNAL  
DEHRADUN BENCH" SMC", NEW DELHI  
BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL  
MEMBER AND  
SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
(Through Video Conferencing)**

**ITA No. 138/DDN/2024**  
(Assessment Year: 2017-18)

<b>Hena Sahil,</b> 13-A, Subash Road, Dehradun, Uttarakhand	Vs.	ACIT, Circle-1(1)(1), Dehradun
<b>PAN: AALPF6610J</b>		

Assessee by :	Shri Tarandeep Singh, Adv
Revenue by:	Shri A. S. Rana, Sr. DR
Date of Hearing	19/03/2025
Date of pronouncement	09/04/2025

O R D E R

**PER M. BALAGANESH, A. M.:**

1. The appeal in ITA No. 138/DDN /2024 for AY 2017-18, arises out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. NFAC', in short] in appeal No. ITBA/NFAC/S/250/2024-25/1066178637(1) dated 28.06.2024 against the order of assessment passed u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 19.11.2019 by the Assessing Officer, ACIT/DCIT, Circle-1(1)(1), Dehradun (hereinafter referred to as 'Id. AO').

2. Though the assessee has raised several grounds before us, the only effective issue to be decided in this appeal is as to whether the Id CIT(A) was justified in confirming the addition made on account of cash deposits during the demonetization period as unexplained money u/s 69A read with Section 115BBE of the Act in the facts and circumstances of the instant case.

3. We have heard the rival submissions and perused the material available on record. The return for AY 2017-18 was filed by the assessee, being an individual, on 11.09.2017 declaring taxable income of Rs. 20,91,060/-. The case was selected for limited scrutiny to examine the cash deposit made during the demonetization period, among others. During the year under consideration, the Id AO observed that there were certain cash deposits made in the two bank accounts of the assessee with ICICI Bank. The total cash deposits made during the year was Rs. 24,02,000/- in two bank accounts, out of which, a sum of Rs. 14,41,000/- was deposited during the year demonetization period by the assessee. The assessee submitted the entire cash book for both the years i.e. FYs 2015-16 and 2016-17 and also submitted that the cash deposits were made out of available cash balance as per books. The assessee gave details of opening cash balance, cash withdrawals made from banks, cash drawings to explain the cash deposits made in the bank accounts. The Id AO was not satisfied with the reply and proceeded to treat the cash deposits made in the bank account as unexplained money u/s 69A read with Section 115BBE of the Act.

4. Before the Id CIT(A), the assessee explained that the father of the assessee was the Chairman and Managing Director of Al-Hira Developers Pvt. Ltd who had died in the year 2006 and an attempt was made to settle the inherence of the assets of her father since 2011. During the settlement, the widow mother of the assessee decided that she should distribute her personal jewellery amongst her daughters who were to meet at intervals and decide the value of ornaments and distribute it amongst themselves. For this purpose, the assessee started withdrawing cash from her bank account whenever she had an opportunity and retain the same as cash balance with her. It was explained that such cash withdrawals were made so that she is able to take ornaments of her choice from her mother and to

pay her sisters the equivalent cash. However, the settlement as proposed was not working as none of the sisters were ready to part with the ornaments and also the valuation of the jewellery became an issue. Therefore, whenever there used to be an occasion of such distribution of jewellery of her mother, the assessee used to withdraw more cash and keep with her. As stated supra, the jewellery distribution never materialized and therefore, the amount withdrawn was deposited back in the bank account in various phases during the year which also includes deposit made during demonetization period. It is not in dispute that cash deposits made demonization period was only Rs. 14,41,000/-. The assessee also explained that during the summer vacation of her kids, she used to frequently visit Dehradun, her mother's place with a firm hope that the jewellery distribution settlement would happen for which purpose, she would use the cash with her to settle her sisters as and when the need arises. Since, jewellery settlement was not happening as desired, the assessee on her return back to Delhi would deposit the said cash earlier withdrawn in the bank account. This explanation was not even doubted by the Id CIT(A). However, the Id CIT(A) doubted the availability of huge cash balance as on 01.04.2016 with the assessee amounting to Rs. 22,80,500/-. The Id CIT(A) in para 5.1 page 7 of its order admitted that assessee is from a very well-to-do family and her husband has substantial source of income and also admitted that she was in receipt of gift from her husband during the year under consideration frequently. The Id CIT(A) in para 5.2 of its order stated that assessee's husband had declared Rs. 20 lakhs approximately has income in his ITR. Having given all these findings, still the Id CIT(A) upheld the addition made by the Id AO.

5. We find that the assessee had furnished complete cash flow statement for the period 01.04.2015 to 31.03.2016 and 01.04.2016 to 31.03.2017 as under:-

**Annexure 1: Cash Flow Statement  
From 01-04-2016 to 31-03-2017**

Particulars	Amount
Opening balance as on 01-04-2016	2,280,500
Cash withdrawan from ICICI Bank A/c 113401500272 ICICI Bank A/c 016401519607 HDFC Bank A/c 00003070	198,500
Total	2,479,000
Cash deposited in	
Tution fees of kids	76,000
ICICI Bank A/c 113401500272	1,488,000
ICICI Bank A/c 016401519607	914,000
Closing balance as on 31-03-2017	1,000

**Cash Flow Statement  
From 01-04-2015 to 31-03-2016**

Particulars	Amount
Opening balance as on 01-04-2015	947.000
Cash withdrawn from ICICI Bank A/c 113401500272 ICICI Bank A/c 016401519607 HDFC Bank A/c 00003070	1,424,000 17,500 131.000
Total	2,519,500
Cash deposited in	
ICICI Bank A/c 113401500272 ICICI Bank A/c 016401519607	194,000 45,000
Closing balance as on 31-03-2016	2,280,500

6. The assessee also gave plausible explanation for frequent withdrawals of cash from the bank account and keeping it in her custody as detailed in earlier part of this order. Further, the assessee has also filed an affidavit from her mother Mrs. Rubina Farid dated 12.12.2019 which is enclosed in pages 113 to 14 of the Paper Book. On perusal of the said affidavit, we find

that the same squarely supports the explanation given by the assessee supra with regard to frequent cash withdrawals made by the assessee from the bank account, purpose of such cash withdrawals, purpose of retaining the same cash in the hands of the assessee's mother at Dehradun, purpose of taking back cash from assessee's mother and deposit in the bank account of the assessee in Delhi and jewellery distribution settlement not getting materialized amongst the sisters. All these facts clearly prove that the explanation given by the assessee is plausible explanation and is also supported by an affidavit from the assessee's mother. This affidavit was not sought to be tested by the revenue in the manner known to law. The assessee had given details of complete cash withdrawals made from the bank account on various dates including cash withdrawals made from different ATMs in order to settle her sisters at the time of jewellery distribution if the same materializes. The Id AR placed on record the income declared by the assessee for various years as under:-

<u>Assessment Year</u>	<u>Returned Income</u>
2013-14	Rs. 19,66,660/-
2014-15	Rs. 21,78,320/-
2015-16	Rs. 18,47,720/-
2016-17	Rs. 28,62,060/-
2017-18	Rs. 20,91,060/-

7. The aforesaid income details go to prove that assessee had substantial income declared in the IT returns and her financial capability to withdraw cash from the bank cannot be doubted. It is a fact that assessee had given complete details of cash withdrawn made from the bank together with the purpose as detailed supra. It is not the case of the revenue that cash withdrawals made by the assessee had been spent for some other purposes by the assessee and therefore, the same is not available as a cash source for explaining the cash deposits in the bank account. Hence, we

have no hesitation to hold that assessee has sufficient cash balance to explain the cash deposits made in the bank account including the demonetization period. Accordingly, the cash deposits made are properly explained and no addition is warranted u/s 69A read with Section 115BBE of the Act. Accordingly, grounds raised by the assessee are allowed.

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

Order pronounced in the open court on 09/04/2025.

-Sd/-

**(SATBEER SINGH GODARA)**  
**JUDICIAL MEMBER**

-Sd/-

**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Dated:09/04/2025  
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi