

आयकर अपीलिय अधिकरण  
दिल्ली पीठ "एस एम सी", दिल्ली  
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "SMC", DELHI  
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

आअसं.2697/दिल्ली/2025 (नि.व. 2017-18)

ITA No.2697/DEL/2025 (A.Y.2017-18)

Renu Sinha,  
801, Urvashi-01, Amrapali Royal,  
Vaibhav Khand, Indirapuram, Ghaziabad,  
Uttar Pradesh 201014

PAN: AKGPS-0766-B

..... अपीलार्थी/Appellant

बनाम Vs.

Income Tax Officer, Ward-67(3),  
Civic Centre, Minto Road, New Delhi 110002

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by : Shri Venketesh Chourasia, Advocate

प्रतिवादीद्वारा/ Respondent by : Shri Manoj Kumar, Sr. DR

सुनवाई की तिथि/ Date of hearing : 15/07/2025

घोषणा की तिथि/ Date of pronouncement: : 30/07/2025

आदेश/ORDER

**PER VIKAS AWASTHY, JM:**

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [in short 'the CIT(A)] dated 05.03.2025, for Assessment Year 2017-18.

2. Brief facts of the case as emanating from the records are: An addition of Rs.10,20,000/- was made by the Assessing Officer (AO) u/s. 69A of the Income Tax Act,1961(hereinafter referred to as 'the Act') on account of cash deposits during demonetization period. The assessee explained before the AO source of cash deposits. The AO disregarded the submissions made by the assessee and made

addition of entire cash deposits. Aggrieved by the assessment order 20.12.2019 passed u/s. 144 of the Act, the assessee filed appeal before the CIT(A). The CIT(A) partly accepted submissions of the assessee and granted relief to the extent of Rs.5,00,000/- and sustained the addition of remaining amount. Hence, the assessee filed appeal before the Tribunal assailing the addition confirmed by the First Appellate Authority.

3. The Id. Counsel for the assessee submitted that the CIT(A) has confirmed addition of Rs.5,20,000/- u/s. 69A of the Act without appreciating the facts and documents/submissions furnished by the assessee. Out of Rs.5,20,000/-, the source of Rs.2,40,000/- is from sale of vehicle. To support his contention, the Id. Counsel placed on record a copy of affidavit and Sale Letter at page no. 7 & 8 of the paper book. He further contended remaining amount of cash deposit i.e. Rs.2,80,000/- was from 'Stree Dhan' of the assessee.

4. The Id. DR vehemently supporting the order of CIT(A) prayed for dismissing appeal of the assessee.

5. Both sides heard. The solitary issue raised in this appeal by the assessee is against the addition of Rs.5,20,000/- confirmed by the CIT(A) u/s. 69A of the Act. The assessee is stated to be a senior citizen and retired from State Bank of India. A perusal of impugned order reveals that the CIT(A) has granted part relief to the assessee with respect to cash deposits during demonetization period and has confirmed addition to extent of Rs.5,20,000/- out of Rs.10,20,000/-.

6. The contention of the assessee is that out of balance amount Rs.5,20,000/- confirmed by the CIT(A), Rs.2,40,000/- were deposited from cash received on sale

of car. A perusal of affidavit (at page 8 of the paper book) shows that the car was sold by the assessee way back in the year 2008. Further, no consideration amount for sale of car has been mentioned in the affidavit or the delivery letter (at page 7 of the paper book). The submission of the assessee that amount of Rs.2,40,000/- was deposited in bank account from sale of car has no merit. I concur with findings of the CIT(A), and reject the aforesaid source of deposit of cash. Out of remaining amount of Rs.2,80,000/- the submissions made on behalf of the assessee is at Rs.1,50,000/- was received as gift from the husband. The husband of the assessee had died long back this fact is evident from the affidavit placed on record to substantiate sale of car at page 8 of the paper book. It is highly improbable that a gift received in cash more than ten years back was deposited, now at the time of demonetization. In so far as balance amount of Rs.1,30,000/- the contention of the assessee is that the amount has been received as gifts from relatives. Although, no supporting documents have been filed to substantiate the same, therefore entire amount cannot be accepted as gifts. Relief to the extent of Rs.1,00,000/- can be granted accepting gifts from relatives. Thus, addition to the extent of Rs.4,20,000/- is confirmed. The assessee gets relief of Rs.1,00,000/-. The ground no. 2 of appeal, is thus partly allowed.

7. In ground no. 3 of appeal, the assessee has assailed that deduction u/s. 80C of the Act was not allowed by the Authorities below. I find that no documentary evidence was placed by the assessee before the AO or the CIT(A). No submissions or documentary evidences have been furnished before the Tribunal. Hence, ground no. 3 of appeal is dismissed.

8. In ground no. 4 of appeal, the assessee has assailed validity of assessment order *sans* show cause notice. No submissions were made by the Id. Counsel for the assessee on ground no. 4 of appeal either. Hence, ground no. 4 of appeal is dismissed.

9. In ground no. 5 of appeal, the assessee has assailed charging higher rate of tax u/s. 115BBE of the Act. The rate of tax was increased from 30% to 60% u/s. 115BBE of the Act w.e.f. 01.04.2017. The Hon'ble Madras High Court in the case of SMILE Microfinance Ltd. vs. ACIT, WP (MD) No.2078 of 2022 decided on 19.11.2024 after examining relevant objects and reasons for amendment to section 115BBE of the Act by the Taxation Laws (Second Amendment) Bill, 2016 held:

*17. In the aforesaid objects and reasons nowhere it is stated that due to "demonetization" the unaccounted money ought to be charged 60% rate of tax. It only states that step had been taken to curb black money by withdrawing Specified Bank Notes of denomination of Rs.500 and Rs.1000. And also states the people may find illegal ways of converting their black money into black again, hence as per experts advice heavy penalty ought to be levied. From the language of the object "that instead of allowing people to find illegal ways of converting their black money into black again", it is evident that the government is intended to impose the same for future transactions. Especially the use of word "again" in the object would clearly indicate it is for future transactions i.e. from 01.04.2017. Therefore this Court is of the considered opinion that the revenue is empowered to impose 60% rate of tax for the transactions from 01.04.2017 onwards and not prior to the said cut-off date. And for prior transaction the revenue is empowered to impose only 30% rate of tax."*

Thus, aforesaid decision rendered by Hon'ble Madras High Court makes it unambiguously clear that the higher rate of tax would apply prospectively from 01.04.2017 and not to the AY 2017-18. The Tribunal decision on which CIT(A) has

placed reliance is prior to the decision of Hon'ble Madras High Court referred above. Thus in light of aforesaid decision, the AO is directed to charge tax at the rate of 30% u/s. 115BBE of the Act in the impugned assessment year. The assessee succeeds on ground no. 5 of appeal.

10. In the result, appeal of the assessee is partly allowed.

Order pronounced in the open court on Wednesday the 30<sup>th</sup> day July, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 30.07.2025

NV/-

प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Dy./Asstt. Registrar) ITAT, DELHI