

**INCOME TAX APPELLATE TRIBUNAL**  
**AGRA BENCH "SMC": AGRA**  
**BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER**  
(Through virtual hearing)

**ITA No. 249/AGR/2024**  
**(Assessment Year: 2017-18)**

Rakhi Agarwal, Krishna Bhawan Opp, Morena Wala Halwai, Daulat Ganj Lashkar, MP (Appellant)	Vs.	ACIT, Gwalior  (Respondent)
<b>PAN: AEAPA9383A</b>		

Assessee by :	Shri Rajesh Malhotra, CA
Revenue by:	Shri Anil Kumar, Sr. DR
Date of Hearing	18/08/2025
Date of pronouncement	13/11/2025

**ORDER**

1. The appeal in ITA No. 249/AGR/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] dated 15/09/2023 against the order of assessment passed u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 11.12.2019 by the AO (hereinafter referred to as 'Id. AO').
2. At the outset, I find that there is delay in filing of appeal by the assessee before me by 235 days. Considering the reasons adduced in the condonation petition supported by an affidavit, I am inclined to condone the delay and admit the appeal of the assessee for adjudication in the interest of substantial justice.
3. The only issue to be decided in this appeal is as to whether the Id NFAC was justified in confirming the addition made in some of ₹13,84,500/- as unexplained money in the facts and circumstances of the instant case.

4. I have heard the rival submissions and perused the materials available on record. The assessee had filed his return of income for AY 2017-18, declaring total income of ₹23,70,830/-. The assessee derived its rental income, business income and income from other sources. The assessee has maintained the books of account for her income from business and other sources and had duly submitted the particulars of balance sheet and profit and loss account in the ITR form filed for AY 2017-18. The assessee during the course of assessment proceedings furnished the following details/ documents as under: –

- a. Computation of income for AY 2017-18
- b. Balance sheet as on 31.03.2017
- c. Income and expenditure account for the year ended on 31.03.2017
- d. Capital account for the year ended on 31.03.2017
- e. Particulars of bank statement with explanations there on for the FY 2016-17, relevant to AY 2017-18.

5. It is not in dispute that the assessee had deposited a sum of ₹13,84,500/- in cash in Corporation Bank Account No. 034400101016665 during the year. The assessee explained the source of such cash deposit to have emanated out of business receipts and cash sales of the assessee in addition to rental income received in cash and the cash withdrawals made from the bank. The Id AO not being satisfied with the reply of the assessee added the sum of ₹13,84,500/- as unexplained money in the hands of the assessee. Before the Id CIT(A), the assessee furnished the explanation of source of cash deposits in much detailed manner as under:-

Cash balance as on 01.04.2016	47,457/-
Add: rental income received in cash	4,20,390/-
Add: business receipts during the year in cash	8,73,390/-

Add: cash withdrawals from Corporation Bank	7,41,000/-
Total	20,82,122/-
Less: drawings	1,55,922
Less: drawings	4,66,092/-
Less: cash deposits in Corporation Bank	13,84,500
Closing cash balance as on 31.03.2017	75,608

6. The assessee submitted that the business receipts were received in cash in the sum of ₹8,73,390/- during the year and sum of ₹8,92,820/- in the immediately preceding previous year. The assessee also submitted that she is regularly assessed to income tax for the last 20 years. The Id CIT(A) disbelieved business income of the assessee from tuition and computer job work of ₹7,22,738/- ( net business income). The Id CIT(A) ultimately upheld the addition made by the Id AO. It is pertinent to note that apart from business income, assessee had indeed source of making cash deposits in the form of rental income and cash withdrawals made from the bank, for which no credit is given by the lower authorities. Further, I find that the Id AO had indeed started the computation of income with the return of income of ₹23,70,830/- and added a sum of Rs. 13,84,500/- to the same and completed the assessment. It is pertinent to note that the return of income of Rs. 23,70,830/- indeed includes business income of Rs. 7,22,738/- which has been accepted as receipt by the lower authorities. Hence, if the proposition of the Id NFAC that there was no business income at all to the tune of Rs. 7,22,738/- is to be accepted, then the same should be reduced from the return of income of Rs. 23,70,830/- in order to avoid double taxation. This is not done by the revenue in the instant case. Hence, a sum of Rs. 7,22,738/- being available to the assessee as a cash source cannot be denied and rejected by the revenue and accordingly the same becomes available cash source with the assessee to explain the source for cash deposits apart from rental income and cash withdrawals made from the bank accounts. Hence, I have no hesitation to hold that the assessee had duly

explained the entire source for the cash deposits made in the sum of Rs. 13,84,500/- in the facts and circumstances of the instant case. The addition made by the revenue is hereby deleted. Accordingly, grounds raised by the assessee are allowed.

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

Order pronounced in the open court on 13/11/2025.

-Sd/-  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

Dated: 13/11/2025  
A K Keot

Copy forwarded to

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

ASSISTANT REGISTRAR  
ITAT, New Delhi