

**IN THE INCOME TAX APPELLATE TRIBUNAL
“E” BENCH, DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

**ITA No.1241/Del/2025
(Assessment Year:2017-18)**

Income Tax Officer Room No. 2210, E-2 Block, Civic Centre New Delhi – 110002	Vs.	Raghu Vyas G-21, Lajpat Nagar, New Delhi – 110024
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AAPPV1884N		
Appellant	..	Respondent

Appellant by :	Sh. Harish Choudhary, CA Sh. Mohit Choudhary, CA Ms. Neetu Jain, CA
Respondent by :	Ms. Ankush Kalra, Sr. DR

Date of Hearing	14.10.2025
Date of Pronouncement	10.12.2025

ORDER

PER ANUBHAV SHARMA, JM:

This appeal is preferred by the Revenue against the order dated 30.12.2024 of the Ld. National Faceless Appeal Centre (NFAC) (hereinafter

referred as Ld. First Appellate Authority or in short Ld. 'FAA') in DIN & Order No : ITBA/NFAC/S/250/2024-25/1071682810(1) arising out of the order dated 29.12.2019 passed u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') by the ITO, Ward 54(1) for AY: 2017-18.

2. The assessee is an individual who is engaged in the business self made paintings gallery exhibition in India and abroad and further in the trading and investment in the paintings, the return was filed at an income of Rs.8,49,850/- which was processed under Section 143(1) of the Act and the case was picked up for scrutiny assessment. Assessment was completed at income of Rs.95,84,190/- by making addition of Rs.87,34,340/- on account of cash deposit under Section 69A of the Act. Before the Ld. CIT(A) assessee had explained that this cash was deposited on the basis of sales of the paintings, sale of mother's jewellery and gift received from son who was engaged and had received cash gifts from the relatives at the time of engagement and thus, considering it to be sufficient explanation the ld. CIT(A) has deleted the additions by **following findings** in para 6.1.1 for which revenue is in appeal.

“6.1.1 Ground number 1 & 10 – All these grounds are adjudicated in consolidated manner. The AO has made addition of Rs. 87,34,340/- u/s 69A of the Income tax Act on account of cash deposit made by the appellant in the bank accounts. The appellant is a renowned painter and as explained during the course of assessment proceedings that the cash was received out of sale of painting and also out of savings made by the appellant. It was also explained that the cash has been received on the eve of the roka ceremony of his son and there was sufficient cash in hand, but the AO did not agree with the submission of the appellant and has made the addition. Before me in the appellate proceedings, the written submission has been filed. The appellant has filed details of the cash received from sale of paintings. The appellant has also filed the lease deed with ITC Maurya, where painting has been sold. The appellant has filed Returns of Income of various years starting from AY 2013-14 to AY 2017-18, showing income from sale of paintings. The appellant has filed the details of cash received from various persons in the roka ceremony of his son. The appellant has filed the details of cash on hand of various assessment years. The appellant has filed the bank statements of various years and has tried to co-relate it with the cash sales of paintings. The appellant has relied upon various judgements on its favor of various High Courts and also of Hon. ITAT, Delhi on the issue of cash deposits. I agree with the submission of the appellant and the case laws relied upon. The addition of the AO is deleted and appeal of the appellant is allowed.”

3. At the time of hearing Rule 27 application was filed by the assessee but the ground was not pressed and assessee preferred to contest on merits.

4. Ld. DR has relied the assessment order and contended that improbable stand and explanation has been taken without corroborative evidences and Id. CIT(A) has erred in deleting the addition. It was countered by Ld. AR by

submitting that the consistent reply was filed at both the stages below and the capital account sufficiently explains the deposits.

5. After taking into consideration the contentions and perusal of the material on record, we find that the findings of Ld. CIT(A) are based on evidences and factual aspects and nothing substantial has been countered by Ld. DR except for doubting the explanation on case of probability. However, fact like gold jewellery held by mother of the assessee which was ancestral jewellery and the engagement ceremony of the son of the assessee in the relevant parties are facts which were in the knowledge of the assessee and asserted during the assessment and Appellate proceedings.

5.1 We are of considered view that when assessee is required to give an explanation of something personal, the same has to be examined on the basis of probability and can be considered to be correct, if found to be prudent in ordinary course of human conduct, behavior and natural course of events.

5.2 Sale of ancestral jewellery or receipt of cash at the time of customs like engagement and marriage are not something strange nor the value of

jewellery or the gifts received or shown to be disproportionate. In fact, jewellery is supported by a valuation report dated 07.04.2008 out of which only certain portion of the jewellery was sold during the year. The cash flow statement was provided on the basis of aforesaid facts which has found appealing to Ld. CIT(A) and as there is nothing substantial on facts or reasoning to discredit the opinion held by ld. CIT(A), we find it not justified to interfere in the findings of Ld. CIT(A). The ground raised have no substance. **The appeal of Revenue is dismissed.**

Order pronounced in the open court on 10.12.2025

Sd/-
(Amitabh Shukla)
ACCOUNTANT MEMBER

Sd/-
(Anubhav Sharma)
JUDICIAL MEMBER

Dated 10.12.2025
Rohit, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI