

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'A', NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE-PRESIDENT
&
SMT. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

ITA No. 6269/DEL/2025; Assessment Year: 2017-18

Ms. Sapna Jain C-116, 4 th Floor Shakti Nagar Extension Delhi- 110052	Vs	JCIT Range-63 Delhi
(APPELLANT)		(RESPONDENT)
PAN No. ACTPJ3861B		

Assessee by : Shri S. M. Bhardwaj, Advocate

Department/Revenue by : Shri Ajay Kumar Arora, Sr. DR

Date of Hearing: 12.01.2026	Date of Pronouncement: 21 .01.2026
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ORDER

PER RENU JAUHRI :

This appeal is filed by the assessee against the order of the Commissioner of Income Tax (Appeals)/ National Faceless Appeal Centre, New Delhi [for short, Ld. CIT (A)/NFAC], u/s 250 of the Income Tax Act (for short, the "Act"), order dated 05.08.2025 in the Appeal No. CIT(A), Delhi- 20/10309/2019-20.

2. The assessee has raised following grounds of Appeal:

"1. The First Appeal Order and Assessment Order passed are illegal and against the facts of the case.

2. *Ld. Assessing Authority and First Appellate authority grossly erred in law for imposing penalty and confirming same whereas the Cash received from the sale of property transaction is directly paid in the Bank to settle the Loan account. Section 271-D of the Income tax Act, completely support this transaction.*

Judgements :-

Bhaskar Thattaruthodiyil Nair
Vs
I.T.O
ITAT Cochin (2025 TAXSCAN (ITAT) 1570)

Held - "Waived Penalty where the assessee received Cash as part of the final Sale Consideration as it was Considered to be part of the Sale Consideration and not a Loan or Deposit"

CIT (Agra)
Vs
Smt. Dimple Yadav (Allahabad High Court) dated
21/08/2015 (2015) 280 CTR-309

Held - "High Court Confirmed that no penalty was imposable where a cash loan was immediately deposited in a Bank and used for payment to Government to Convert Land to free Hold property".

Neelam Jain (Chandigarh)
Vs
I.T.O
ITAT Amritsar (dated 25/07/2024 ITA No 47/ASR/2024)

Held "Assessee took a Loan in Cash it was routed through Bank Account, genuine used for Municipal Conversion etc. Assessing Authority imposed Penalty U/s 271-D, which was deleted because of genuineness and routing the Cash through bank".

3. *The assessee did not receive the complete payments in cash. Around 65% of the total payment is received through cross cheques and balance of around of 35% payment received in cash to pay off the bank loan in Settlement Letter. (Loan Settlement Letter is attached)*

4. *The Assessee wishes to reserve the right to crave and indulgence of any grounds of Appeal at the time of hearing of Appeal.*

5. *Prayer: Keeping in view the above contents, your good self is requested to quash the impugned Order and delete the additional demand of penalty imposed amounting to Rs. 2,25,000.00;”*

3. Brief facts of the case are that the penalty u/s 271D was levied in respect of part of the consideration received in cash in excess of Rs. 20,000/- upon sale of immovable property by the assessee which was in violation of provisions of section 269SS of the Act. Accordingly, after issuing a show-cause notice to the assessee and considering her reply, penalty of Rs. 2,25,000/- was levied by the Ld. AO u/s 271D in view of the fact that the assessee's share in total cash received of Rs. 5,50,000/- only was 50%, being a joint property owner with her husband. Aggrieved, the assessee preferred an appeal before Ld. CIT(A). However, the assessee's appeal was dismissed by Ld. CIT(A) after observing that the assessee's case was squarely covered under clause (iv) of the Explanation of section 269SS which included the cash received on transfer of immovable property within the ambit of this section. Further aggrieved, the assessee has filed an appeal before the Tribunal.

3.1 Before us, Ld. AR has argued that the cash received from the sale deed of property transaction was directly paid in the bank to settle the loan account of the assessee and, therefore, the penalty levied was not justified and deserves to be deleted. He has placed reliance on several decisions of the co-ordinate benches.

3.2 On the other hand, Ld. DR has vehemently argued that the case was squarely covered u/s 269SS and, therefore, penalty has been rightly levied by the Ld. AO.

4. We have heard the rival submissions and carefully perused the judicial citations relied upon by the assessee. We have also gone through the provisions of section 269SS and section 271D of the Act and facts of the instant case. We note that none of the cases relied upon by the Ld. AR, cover the facts of the assessee case. We are, therefore, of the considered view that the penalty has been rightly imposed by the Ld. AO in the fact and circumstances of the case as the cash received in excess of Rs. 20,000/- is hit by the provisions of section 269SS in view of clause (iv) of the Explanation. We, therefore, find no reason to interfere with the order of Ld. CIT(A), confirming the penalty.

5. Accordingly, the appeal of the assessee is dismissed.

Order pronounced in the Open Court on 21-01-2026.

Sd/-
(MAHAVIR SINGH)
VICE PRESIDENT

Sd/-
(RENU JAUHRI)
ACCOUNTANT MEMBER

Dated: 21.01.2026

Pooja Mittal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi