

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: "SMC" NEW DELHI**

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

ITA No.8558/Del/2025
Assessment Year: 2017-18

Mrs. Charanjit Kaur, F-IC, IInd Floor, Tilak Nagar S.O. (West Delhi), Tilak Nagar, West Delhi, New Delhi	Vs.	Income Tax Officer, Ward-69(1), New Delhi
PAN: AEGPK6308F		
(Appellant)		(Respondent)

Assessee by	None
Department by	Sh. Manoj Kumar, Sr. DR

Date of hearing	21.01.2026
Date of pronouncement	21.01.2026

ORDER

This assessee's appeal for assessment year 2017-18, arises against the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre [in short, the "CIT(A)/NFAC"], Delhi's DIN and order no. ITBA/NFAC/S/250/2025-26/1082077983(1), dated 29.10.2025 involving proceedings under section 147 r.w.s. 144 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Case called twice. None appears at the assessee's behest. He is accordingly proceeded *ex-parte*.

2. Learned departmental representative vehemently submits during the course of hearing that the CIT(A)/NFAC has rightly upheld the Assessing Officer's action making unexplained investment addition of Rs.13.20 Lakhs in assessment order dated 30th March, 2022, vide following detailed lower appellate discussion:

“6.1 The brief facts of the case are that the appellant filed her return of income for the A.Y. 2017-18 on 22.07.2017 declaring total income of Rs.6,99,080/-, Subsequently, information was received by the Department that the appellant had purchased a residential house property for a consideration of Rs.13,20,000/-, and that the entire payment towards the purchase had been made in cash. Considering the nature of this transaction and the absence of any disclosure of such investment in the return of income, the Assessing Officer formed a reason to believe that income chargeable to tax had escaped assessment within the meaning of section 147 of the Income Tax Act, 1961. Accordingly, a notice under section 148 was issued on 27.03.2021. During the course of reassessment proceedings, despite issuance of statutory notices and opportunities afforded, the appellant did not furnish any credible evidence explaining the source of the said cash investment. Consequently, the Assessing Officer proceeded to complete the assessment under section 147 r.w.s. 144 r.w.s. 144B of the Act on 30.03.2022 by treating the investment of Rs. 13,20,000/- as unexplained under section 69 of the Act and assessed the total income at Rs.20,19,080/- as against the returned income of Rs.6,99,080/-.

Aggrieved by the said assessment, the appellant has preferred the present appeal. During appellate proceedings, the appellant reiterated that she and her husband were both government employees and had been filing their returns of income regularly. It was submitted that over the years, they used to withdraw cash periodically from their bank accounts to meet household expenses, and that portions of these withdrawals, which were not spent, got accumulated as cash savings. It was further claimed that the accumulated savings, along with financial assistance from her siblings, were utilized for the purchase of the property in question. In support of this contention, the appellant furnished copies of her bank account with Punjab & Sind Bank, affidavits from her siblings, and

translated copies of sale deeds of ancestral agricultural land executed in Punjab. It was contended that the siblings, out of love and affection, had contributed from the sale proceeds of their ancestral agricultural land situated in Village Akala, Tehsil Bhulath, District Kapurthala, towards the purchase of the property by the appellant. The appellant also submitted that she is a senior citizen who had been undergoing medical treatment during the relevant period, which prevented her from responding in time to the notices of the Assessing Officer, and hence the assessment was completed ex parte.

All the documents and submissions filed by the appellant have been carefully examined in the light of the facts of the case and provisions of law. The appellant's explanation that the investment was made out of accumulated cash savings from earlier years does not find support from the documentary record. The bank statement furnished by the appellant merely reflects routine salary credits followed by frequent withdrawals, which are normal for household expenses. The pattern of withdrawals shown is of small and regular nature and does not establish accumulation of a significant corpus capable of funding a cash investment of Rs.13,20,000/-. The appellant has not furnished any year-wise cash flow statement, household expenditure summary, or evidence of actual cash retained from past withdrawals. It is a settled principle that mere withdrawal of money from bank accounts does not ipso facto prove that such cash remained unspent and was available for subsequent investment. Without a demonstrable trail showing that the withdrawn cash was preserved and carried forward, the plea of accumulated household savings cannot be accepted as sufficient explanation for the source of investment.

As regards the claim of financial assistance received from siblings, the affidavits and translated sale deeds furnished have also been examined in detail. The sale deeds, dated 31.03.2015 and 27.01.2015, indicate that certain parcels of ancestral agricultural land measuring 5 kanals 3 marlas each were sold by the appellant's family members in Village Akala, District Kapurthala, for cash consideration of Rs.5,88,000/- each. However, these sale deeds pertain to the year 2015, whereas the appellant's investment in the property was made during the financial year 2016-17. No documentary evidence has been provided to establish that the sale proceeds received in 2015 were retained in cash by the siblings and subsequently handed over to the appellant after a gap of nearly two years. Further, although affidavits dated 15.12.2022 have been filed by the siblings affirming that they had gifted sums aggregating to Rs.9,00,000/- to the appellant out of love and affection, these affidavits have been executed several years after the alleged events and hence do not constitute contemporaneous evidence. Moreover,

there is no corroboration in the form of bank entries, registered gift deeds, or confirmation of cash availability with the donors at the relevant time. The affidavits are general in nature and fail to specify the exact dates or modes of giving such gifts. It is well settled that a gift must be supported by proof of identity of the donor, their financial capacity, and the genuineness of the transaction. In this case, while the identity of the donors is not in dispute, their capacity to gift and the genuineness of the alleged transfer in cash remain unsubstantiated.

The explanation based on gifts from siblings, therefore, remains an unverified assertion lacking the evidentiary strength required under the law. The affidavits merely recite the intention of having gifted amounts without any independent verification or cross-reference in the donors' own financial records. No evidence of corresponding withdrawals by the siblings, no income-tax return extracts reflecting such transactions, and no contemporaneous correspondence have been produced. Furthermore, the affidavits were executed only in December 2022, much after the completion of assessment proceedings, rendering them self-serving and of limited evidentiary value.

The appellant's further plea that due to her medical condition she could not respond timely to the notices of the Assessing Officer has been sympathetically considered. However, the record indicates that the Assessing Officer had duly issued notices under sections 148 and 142(1) and provided sufficient opportunities for compliance. The assessment was completed under section 144 only after the appellant's failure to submit explanations or supporting documents within the of lack of opportunity is therefore not borne out by statutory timelines. The contention of lack of opportunity is therefore not borne out by the record.

In light of the above analysis, it is evident that the appellant's explanations, whether of accumulated savings or of gifts from siblings, are general, uncorroborated, and incapable of discharging the burden cast upon the assessee under section 69 of the Act. The legal position is well established that where any investment is found to be made and the assessee fails to satisfactorily explain the source thereof, the same is liable to be treated as income of the year in which the investment is made. The explanation of the appellant does not satisfy the test of credibility, contemporaneity, or verification. The entire transaction involving payment of the property consideration in cash, coupled with absence of any contemporaneous records, makes the explanation implausible. The Assessing Officer has, therefore, rightly invoked the provisions of section 69 and brought the unexplained investment to tax.

Accordingly, after careful consideration of the material placed on record and in view of the statutory provisions and judicial principles, I find no infirmity in the order of the Assessing Officer. The addition of Rs.13,20,000/- made under section 69 of the Act, treated the cash investment in property as unexplained, is hereby confirmed.”
6.2 *In the result, the appeal is dismissed.”*

3. I have given my thoughtful consideration to the assessee's and the Revenue's respective vehement pleadings. Suffice to say, it has already come on record that although the assessee has not discharged his onus of explaining source of the impugned investment by filing cogent supportive evidences all along, the fact however remains that both the assessee and her husband are admittedly stated to be a retired government employees, and their family members had also sold some immovable properties in the year 2015. All these facts on record give rise that *prima facie* the case is partly in assessee's favour that at least some of the impugned investments are partly of her family's past accumulated savings and sale consideration money received due to transfer of an agricultural land. Be that at it may, it is thus deemed appropriate in the larger interest of justice that a lumpsum addition of Rs.3.20 lakhs only in the assessee's hands would be just and proper with a rider that the same shall not be treated as a precedent. The assessee gets relief of Rs.10 lakhs in other words.

4. So far as assessee's assessment under section 115BBE is concerned, I quote S.M.I.L.E. Microfinance Ltd. Vs. ACIT, W.P. (MD) No.2078 of 2020 & 1742 of 2020, dated 19.11.2024 (Madras) that the impugned statutory provision would come into effect on the transaction done on or after 01.04.2017 only. The assessee is accordingly directed to be assessed under the normal provision as per law.

5. This assessee's appeal is partly allowed.

Order pronounced in the open court on 21st January, 2026

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 27th January, 2026.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi