

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“DB” BENCH, AMRITSAR**

**VIRTUAL HEARING**

**BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**  
**AND**  
**SHRI UDAYAN DAS GUPTA, JM**

**आयकर अपील सं. / ITA No.252/ASR/2025**  
**(निर्धारण वर्ष / Assessment Year: 2017-18)**

<b>Ms. Jyoti Chaudhary</b> C/o Shri Tejmohan Singh (Advocate) #527, Sector 10-D, Chandigarh – 160010	<b>बनाम/</b> <b>Vs.</b>	<b>ITO Ward - 2</b> Pathankot Punjab - 145001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AARPC-6409-J</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकीओरसे/ <b>Appellant by</b>	:	Sh. Tej Mohan Singh (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/ <b>Respondent by</b>	:	Sh. Charan Dass (Addl. CIT) - Ld. Sr. DR

सुनवाईकीतारीख/ <b>Date of Hearing</b>	:	02-02-2026
घोषणाकीतारीख / <b>Date of Pronouncement</b>	:	03-02-2026

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of an order of learned Commissioner of Income Tax (Appeals), NFAC dated 21-02-2025 in the matter of an assessment framed by Ld. AO u/s 144 / 147 on 19-12-2019. Having heard rival submissions, the appeal is disposed-off as under.

2. In the assessment order, Ld. AO made addition of Rs.11,46,500/- which stem from the fact that the assessee was found deposited cash of Rs.13,46,550/- in her bank account during demonetization period. The deposits were stated to be sourced from sale of property as carried out by the assessee on 11-04-2016. In the sale deed, it was mentioned that the amount was already received by the assessee before the execution of the sale deed. The Ld. AO observed that the assessee had deposited cash of Rs.8.10 Lacs on 05-03-2016 and secondly, there was long time gap between date of execution of sale deed and impugned deposits. After granting benefit of Rs.2 Lacs, the remaining amount was added to the income of the assessee. The Ld. CIT(A) confirmed the same considering the large time gap between execution of sale deed and period of deposits and no reasons were adduced by the assessee for keeping the money idle. Aggrieved, the assessee is in further appeal before us.

3. From case records, it could be seen that the assessee is regularly earning rental income. This year, the gross rental income is Rs.4.80 Lacs. The impugned deposits for Rs.4,96,500/- are stated to be sourced out of earlier cash withdrawals and rental income. The deposits of Rs.8.50 Lacs are stated to be out of sale proceeds of property. The assessee has reflected capital gains on sale of property in this year. As per sale deed dated 11-04-2016, the assessee has received sale consideration in cash. There is no evidence that the said money was received before 05-03-2016 and it could not be presumed by Ld. AO that the earlier deposits were made out of advances unless

evidence to that effect was brought on record. It is quite logical that the sale consideration would exchange hands at the time of execution of registered documents only. Therefore, the presumption of Ld. AO could not be accepted. Simply because of time-gap, the fact could not be rebutted that the assessee received sale consideration in cash and unless any other utilization of cash was established, the explanation of the assessee is to be accepted. Accordingly, we delete the impugned addition and allow the appeal of the assessee. The Ld. AO is directed to re-compute the income of the assessee.

4. The appeal stands allowed.

Order pronounced on 03<sup>rd</sup> February, 2026.

**-Sd-**  
**(UDAYAN DAS GUPTA)**  
**JUDICIAL MEMBER**

**-Sd-**  
**(MANOJ KUMAR AGGARWAL)**  
**ACCOUNTANT MEMBER**

Dated: 03-02-2026  
AB

**आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AMRITSAR