

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH “SMC”: NEW DELHI**

Ms. MADHUMITA ROY, JUDICIAL MEMBER

ITA No. 5567/DEL/2025
Assessment Year: 2017-18

Seema Katar, N-42, 2nd Kirti Nagar, New Delhi-110015 PAN: BAMPK 8956 N	<u>Vs</u>	Income Tax Officer, Ward 49(2), Delhi.
APPELLANT		RESPONDENT
Assessee represented by	None	
Department represented by	Sh. Manoj Kumar, Sr. DR	
Date of hearing	06.11.2025	
Date of pronouncement	06.11.2025	

ORDER

PER Ms. MADHUMITA ROY, JM:

The instant appeal, filed by the assessee, is directed against the order dated 08.07.2025 (DIN & Order No. ITBA/NFAC/S/250/2025-26/1078279939(1) passed by the National Faceless Appeal Centre (NFAC), Delhi, arising out of the order dated 02.12.2019 passed by the Income Tax Officer, Ward 49(2), New Delhi, under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as “the Act”), for assessment year 2017-18.

2. None appeared on behalf of the assessee at the time of hearing despite issuance of notice for hearing. Earlier also the notice of hearing though sent

through speed post at the address furnished by the assessee in Form No. 36 was returned unserved with the postal remark “No such person”. The assessee has not furnished the changed address, if any. Thus, the Bench has proceeded to dispose of the assessee’s appeal after hearing the Learned DR and perusing the materials available on record in the absence of the assessee.

3. At the outset Learned DR submitted that the assessee’s appeal is defective as column No. 12 of Form No. 36 which is meant for “details of appeal fees paid” is not filled. On merit the Learned DR supported the orders of authorities below.

4. The sole substantive ground raised in the instant appeal is with regard to the addition of Rs. 28,00,000/- under Section 69A of the Act made by the Learned AO on account of unexplained cash deposits made by the assessee during demonetization period. In appeal, the Learned CIT(A) dismissed the appeal, inter alia, by observing as under:

“5.1.3 Aggrieved, the assessee filed appeal u/s 250 of the Act wherein she has repeated her earlier stance that the source of cash deposits was from the withdrawal from her Punjab National Bank A/c No. 0148000107402029, from time to time, over a period of 55 months from April 2012-November 2016 She has stated that the said cash was kept with her parents for their medical expenses

5.14 The assessee's contentions have been carefully examined and are found to be without merit and appear to be an afterthought. The following is noted

(i) At the outset, that it may be noted that, with reference to section 69A of the Act, the Courts have held that, the burden of proof to

explain the source of money, is on the assessee. The Hon'ble Supreme Court in its judgement dated 24.07.2007 in the case of CIT, Salem vs K. Chinnathamban, has been held that

"The onus of proving the source of deposit primarily rested on the persons in whose names the deposit appeared in various banks

(ii) The explanation offered by the assessee for the cash deposits is found to be highly implausible. It is highly implausible, as stated by the assessee, that cash was being withdrawn, thus forgoing substantial interest and instead being held as such at home over a period of four and a half (4%) years for supposed expenses, which never took place. The appellant has also not offered any explanation of any practical constraints, which prevented her from depositing cash in the interim. Furthermore, it has been alleged that the cash was kept for some expected medical ailments and requirements which apparently never materialized over a period of more than 4% years, and then out of a sudden, necessitated re-deposit in banks, only due to demonetization which is clearly an after-thought

(iii) There seems to be no discernible rationale to pick the date of January 2012 as the starting point for calculating total withdrawals amounting to Rs. 28 lakhs, as the same appears arbitrarily selected, and appears to have been a reverse-calculation to arrive at the withdrawal sum of Rs 28 lakhs.

(iv) The assessee has failed to provide any cogent explanation, for using cash alone instead of banking channels to meet the medical expenses, which were expected. The appellant has also not furnished any medical prescriptions, bills, receipts, or other to substantiate her claims that there were some urgent medical reasons which necessitated steady accumulation of cash at home.

(v) On one hand, the appellant has claimed that money was withdrawn for medical and other expenses for her parents, yet almost no expenditure was incurred for such purposes. Even if her contention is considered for argument's sake, it is without any discernible rationale that, out of the total Rs. 28.71 lakhs withdrawn (at various times over 4% years). Rs. 28 lakhs remained unspent even after 55 months, considering her parents' alleged medical needs. This shows

that almost no expenses were incurred by her on her parents medical needs or other items out of this cash, and the contention of the assessee is again proven to be nothing but an afterthought.

5.1.5 Therefore, in absence of any cogent argument or supporting evidence, it is concluded that the assessee has failed to justify the source of cash deposits amounting to Rs 28,00,000/-. Accordingly, the addition of Rs. 28,00,000/- u/s 69A as unexplained money is confirmed, and the respective ground of appeal is hereby dismissed.”

5. No supportive evidence explaining the source of cash deposits has been brought on record on behalf of the assessee so as to deviate from the orders of authorities below. Accordingly, order of Ld. CIT(A) is affirmed.

6. In the result, assessee's appeal is dismissed.

Order pronounced in open court on 06.11.2025.

Sd/-
(Ms. MADHUMITA ROY)
JUDICIAL MEMBER

Dated: **12.11.2025**.

MP

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI