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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 192/2026

USHA DEVI .....Appellant

Through: Appearance not given

versus

INCOME TAX OFFICER WARD 44(6) DELHI .....Respondent

Through: Mr. Ruchir Bhatia, SSC and Mr. Anant Mann, JSC

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

O R D E R

% **17.03.2026**

CM APPL. 16332/2026 *(exemption)*

1. Exemption allowed, subject to all just exceptions.

2. The application stands disposed of.

CM APPL. 16331/2026 (*delay*)

3. For the reasons stated in the application, the delay of 7 days in filing the appeal is condoned.

4. The application is disposed of.

ITA 192/2026

5. The present appeal has been preferred by the appellant–assessee assailing the order dated 19.09.2025 passed by the Income Tax Appellate Tribunal, Delhi Bench 'C' *(hereinafter referred to as the 'Tribunal')* whereby the addition under Section 69A of the Income Tax Act, 1961 *(hereinafter referred to as the 'Act of 1961')* has been partly sustained.

6. The brief facts of the case are that the appellant filed her return of income for Assessment Year 2017–18 on 24.03.2018, declaring a total

income of ₹14,590/-. The case was selected for limited scrutiny under CASS on account of "high-risk transactions and cash deposits during demonetisation period".

7. During the relevant period, the appellant deposited cash amounting to ₹70,00,000/- in her bank account on 01.12.2016. The appellant explained the source of such deposit as being out of opening cash-in-hand of ₹32,63,876/- as on 01.04.2016, and cash withdrawals amounting to ₹43,18,000/- made during Financial Year 2016–17.

8. The assessing officer vide assessment order dated 13.11.2019, however, rejected the explanation furnished by the appellant on the ground that the appellant failed to substantiate the availability of opening cash balance with cogent evidence and further observed that there existed a substantial time gap between withdrawal and redeposit of cash. Consequently, the entire sum of ₹70,00,000/- was treated as unexplained money under Section 69A of the Act of 1961.

9. The appeal preferred by the Appellant before the Commissioner of Income Tax (Appeals) came to be dismissed. Thereafter in further appeal, upon appreciation of material on record, the Tribunal partly allowed the appeal by deleting the addition to the extent of ₹37,36,124/- while sustaining the addition of ₹32,63,876/- on account of failure of the appellant to satisfactorily explain the source of opening cash balance. The Tribunal also directed that the applicable rate of tax under Section 115BBE shall be 30% and not 60%, in light of the prevailing legal position.

10. Learned counsel for the petitioner at the outset argued that the Tribunal has rejected the opening cash balance without properly appreciating the documentary material placed on record, including the cash

book of earlier year, bank statements and earlier returns, which, according to the Appellant, consistently reflected the availability of such cash.

11. Having heard learned counsel for the parties and upon perusal of record, we find that the Tribunal has on a careful appreciation of facts, rightly held that the appellant failed to substantiate the opening cash balance of ₹32,63,876/ - and that mere production of a cash book, without any intelligible narration or supporting material explaining the source of such cash, cannot be accepted as sufficient discharge of the onus cast upon the assessee under Section 69A of the Act of 1961.

12. Further, the explanation regarding cash withdrawals during the year having been redeposited after a considerable lapse of time, without any plausible justification, has been duly examined by the Tribunal and do not warrant interference.

13. So far as the argument of the appellant that the deposits were out of earlier cash withdrawals is concerned, the same is unconvincing inasmuch as there was a significant time gap between the withdrawals and redeposit of cash, coupled with the absence of any plausible explanation for retaining such large amounts of cash.

14. The allegation of the appellant that the finding of the Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeals) are perverse is absolutely baseless.

15. An assessee who filed returns of Income declaring a meagre income of Rs.14,590/- firstly, cannot have such huge cash balance at residence and secondly, she cannot have such frequent and substantial deposits and withdrawals. The contention of the appellant that the appellant used to advance money to friends and relatives is absolutely unpalatable and

unacceptable.

16. The appeal is therefore, dismissed.

17. The appeal stands disposed of along with pending applications.

DINESH MEHTA, J.

VINOD KUMAR, J.

MARCH 17, 2026/*cd*