

IN THE INCOME TAX APPELLATE TRIBUNAL  
INDORE SMC BENCH, INDORE

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

**ITA No.912/Ind/2019**  
**Assessment Year: 2015-16**

Smt. Radha Sikchi,  Indore (Appellant)	<u>बनाम/</u> Vs.	ITO-2(2) Indore  (Revenue)
P.A. No.AWGPS2260L		
Appellant by	Shri S.S. Deshpande, C.A.	
Revenue by	Shri Ashish Porwal, Sr. DR	
<b>Date of Hearing:</b>	<b>19.08.2020</b>	
<b>Date of Pronouncement:</b>	<b>21.08.2020</b>	

**आदेश / O R D E R**

This appeal by the assessee is directed against order of the Commissioner of Income Tax Appeals [CIT(A)]-I, Indore dated 05.08.2019 pertaining to the assessment year 2015-16.

The assessee has raised following grounds of appeal:

1. The ld. CIT(A) has erred in upholding the additions of Rs.5,60,000/- as unexplained income being cash deposits in the bank account.

*2. It was proved before the Ld. AO and the Ld. CIT(A) that the cash has been deposited out of her income and savings. The additions of Rs.5,60,000/- may please be deleted.*

*3. The assessee craves to amend, alter or delete any of the grounds of appeal.*

2. The only effective ground is against confirmation of addition of Rs.5,60,000/- made on account of unexplained income being cash deposit in the bank account of the assessee.

3. The facts giving rise to the present appeal are that case of the assessee was selected for scrutiny assessment. Accordingly, a notice u/s 143(2) of the Act was issued on 27.07.2016 fixing the case for hearing on 08.08.2016 while framing assessment order the Assessing Officer observed that the assessee had deposited total cash amount of Rs.5,60,000/- on various occasions in her saving account No.1327301047 of Central Bank of India, M.T. Cloth Market, Indore. In response to the query of the assessing officer the assessee filed her explanation. It was submitted

before the assessing officer that the assessee is a regularly assessed to tax and has been keeping cash in hand and also some amount was advanced to the relatives which were repaid to her. However, the assessing officer did not accept this explanation offered by the assessee and made addition of Rs.5,60,000/-.

4. Aggrieved against this the assessee preferred an appeal before Ld. CIT(A), who also sustained the addition.

5. Now the assessee is in appeal before this Tribunal. Ld. counsel for the assessee vehemently argued that the authorities below were not justified in making addition and sustaining the same. He submitted that all requisite evidences were placed before the authorities below regarding assessee being regularly assessed to tax. He submitted that while making assessment addition is made purely on the basis of surmises. It is not the case that the assessee was not having source of income. Source of

income was duly explained. He has taken me through the proprietor's capital account and other evidences filed before AO. The Ld. counsel also drew my attention to bank statement submitting that both the authorities below were not justified in making addition and confirming the same.

6. On the contrary, Ld. Departmental Representative (DR) opposed the submissions and supported the orders of the authorities below.

7. I have heard the rival submissions, perused the materials available on record. The Ld. CIT(A) confirmed the addition by observing as under:

*“The brief facts of the case are that during the course of assessment proceedings, it was noticed by the AO that the appellant had made deposit an amount of Rs.5,60,000/- in her bank account held with Central Bank of India. The AO had asked the appellant to submit her explanation in respect of the said cash deposit. The appellant had filed her reply before the AO but the AO was not satisfied with the same and had made the addition accordingly. The appellant has submitted in her written reply that she was having past*

*savings from the previous year. Her income was below taxable limit in the last 6 years. Further, the appellant has stated that she had regularly filed her return of income. The cash deposit was made out of her past savings. The appellant has further submitted that her past savings were kept in form of cash or made petty advances to her relatives.*

*3.2 It is clear from the above facts that the appellant had filed her return from the last 6 years and she had made deposit out of her old savings. But it is also a fact that if the appellant was having saving account right from the beginning. I do not find any reason as why she did not deposit her saving in her saving bank account earlier. Further, at the time of assessment proceedings, the appellant did not file any satisfactory explanation before the AO. Hence, in light of the above facts, the addition so made by the AO is hereby confirmed and accordingly, these grounds of appeal are dismissed.*

8. From the above observation of the Ld. CIT(A) it is clear that he accepted the fact that the assessee was having income and has been assessed to tax for many years. However, addition is confirmed purely on the ground that despite having saving bank account why assessee has not deposited the amount in her saving bank account and kept amount with herself. In my considered view this reasoning

of the Ld. CIT(A) is not sufficient to sustain the addition. Looking to the facts of the case, I am of the view that there is every possibility that assessee could be keeping cash which cannot be doubted. Under the facts and circumstances of the present case, therefore, I direct the Assessing Officer to delete this addition.

9. In the result, the appeal of the assessee is allowed.

*Order was pronounced in the open court on 21 .08.2020.*

**Sd/-  
(KUL BHARAT)  
JUDICIAL MEMBER**

Indore; दिनांक Dated : 21/08/2020

*Patel/PS*

Copy to: Assessee/AO/Pr. CIT/ CIT (A)/ITAT (DR)/Guard file.

By order  
**Assistant Registrar, Indore**