

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH “SMC”, PUNE – VIRTUAL COURT

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

ITA No.1376/PUN/2018

निर्धारण वर्ष / Assessment Year : 2005-06

Rajendra Satgouda Patil 1A/6, Near M.K. Athavale School, Rajwada, Sangli-416416 PAN : ABAPP2214J	Vs.	ITO, 2(3), Sangli
Appellant		Respondent

Assessee by Shri C.H. Naniwadekar  
Revenue by Shri M.G. Jasnani

Date of hearing 02-02-2022  
Date of pronouncement 03-02-2022

आदेश / ORDER

**PER R.S.SYAL, VP :**

This appeal by the assessee arises out of the order passed by CIT(A)-1, Kolhapur on 06.06.2018 in relation to the assessment year 2005-06.

2. The only issue raised in this appeal is against confirmation of addition of Rs.12,97,600 made by the AO u/s 69 of the Income-tax Act, 1961 (hereinafter referred to as ‘the Act’).

3. Succinctly, the facts of the case are that the assessee has been serving as professor with PVPIT at material time. He filed his return declaring total income at Rs.1,58,510. Some information was received by the AO about the assessee depositing cash of

Rs.12,97,600 in his savings bank account maintained jointly with his wife in ICICI Bank. A notice u/s 148 of the Act was issued. During the course of the reassessment proceedings, the assessee was called upon to explain the source of such deposits, to which it was stated that he was not carrying on any business and the only source of his income was salary. He further clarified that the deposit was in a joint bank account with his wife, Mrs. Navina R. Patil, who was separately assessed to tax. Copies of her returns of income along with PAN were also filed before the AO. The assessee further submitted that his wife received land at Kolhapur road, Sangli by way of a gift from her father, late Shri Virendra Khilare. This land was converted into plots and sold. Profit from such sale transactions was duly offered for taxation for the A.Ys. 2002-03, 2003-04 and 2004-05. Out of the sale proceeds of plots deposited in her own Sangli Bank Civil hospital Branch account No.10589, she gave a sum of Rs. 19.69 lakhs to her father from time to time. Details of such amounts totalling Rs. 19.69 lakhs were also furnished. She received back a sum of Rs.13 lakhs from her father, out of which Rs.12,97,600 was deposited in the joint bank account. The assessee further submitted that the amount belonging to his wife deposited in the joint bank account, was

immediately transferred to her separate bank account on 10.12.2004. In support of this contention, the assessee furnished copies of his wife's bank account No. 10589 with ICICI Bank (erstwhile the Sangli Bank Ltd.) and also the joint bank account in which the cash was deposited. The AO did not accept the genuineness of the transaction on the ground that the assessee could not furnish necessary details and corresponding evidence of sale proceeds of amount duly deposited in the bank from which the wife gave Rs. 19.69 lakhs to his father. He further did not accept the genuineness on the ground that the assessee could not file any evidence to substantiate the fact that the said amount of Rs.13.00 lakhs was part of the amount given earlier to her father. He, therefore, made an addition of Rs.12,97,600, which came to be affirmed in the first appeal.

4. I have heard both the sides in Virtual Court and gone through the relevant material on record. The only dispute is about the source of deposit of cash of Rs.12,97,600 in a joint bank account maintained by the assessee with his wife in ICICI Bank. Here it is relevant to mention that the assessee repeatedly stated before the AO that his only source of income was salary and no business was carried on. In support of the source of deposits, the assessee

submitted that Shri Virendra Khilare, late father of his wife gifted certain land to the assessee. Copy of the gift deed was also made available. Wife of the assessee sold the land in plots. She filed her returns for the A.Ys. 2002-03, 2003-04 and 2004-05 declaring income from sale of plots. There is nothing on record to suggest that her income was disturbed in any manner by the AO or it was not genuinely declared. Out of the sale proceeds of the plots, she transferred Rs.19.69 lakhs to her father through banking channel on various dates, including three transactions in the year 2002 and five transactions in the year 2004 as have been set out on page 3 of assessment order. It was out of such deposits in the bank account of Shri Virendra Khilare, that he gave back Rs.13 lakhs to his daughter in the year 2004 itself. A sum of Rs.12,97,600 was deposited in the joint savings bank account out of this amount. Immediately after the deposit of the amount, the same was transferred to his wife's account on 10.12.2004, which was later on utilized by her for purchasing some property. Under these circumstances, I am unable to comprehend as to how an addition can be made in the hands of assessee towards cash deposits in the joint bank account when not only the source of deposit but also the entire background of facts leading to the receipt of amount in the

hands of assessee's wife was also thoroughly explained before the AO. The assessee's wife was separately assessed to tax, in support of which, her copies of income tax returns were also furnished. In such circumstances, I am fully satisfied that the assessee discharged the onus upon him to prove the source of deposit in the joint bank account. Setting aside the impugned order, I direct to delete the addition.

5. In the result, the appeal is allowed.

Order pronounced in the Open Court on 3<sup>rd</sup> February, 2022.

Sd/-  
**(R.S.SYAL)**  
**VICE PRESIDENT**

पुणे Pune; दिनांक Dated : 3<sup>rd</sup> February, 2022

GCVSR

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

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-1, Kolhapur
4. The Pr.CIT-1, Kolhapur
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे /  
DR 'SMC', ITAT, Pune
6. गार्ड फाईल / Guard file

**आदेशानुसार/ BY ORDER,**

**// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	02-02-2022	Sr.PS
2.	Draft placed before author	03-02-2022	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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