

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
'D' BENCH, CHENNAI**

श्री जी. मंजुनाथ, लेखा सदस्य एवं श्री अनिकेश बनर्जी, न्यायिक सदस्य के समक्ष  
**BEFORE SHRI G. MANJUNATHA, ACCOUNTANT MEMBER  
AND SHRI. ANIKESH BANERJEE, JUDICIAL MEMBER**

आयकर अपील सं./ITA No.: 1642/Chny/2019  
निर्धारण वर्ष / Assessment Year: 2014-15

Smt. Amudha Rajendran, Income Tax Officer,  
No. 32, Poes Road, 2<sup>nd</sup> Street, v. Non-Corporate Ward -20(5),  
Teynampet, Chennai – 600 018. Chennai – 600 034.  
**[PAN:AAJPR 3973N]**

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. G. Baskar, Advocate and  
Shri. I. Dinesh, Advocate

प्रत्यर्थी की ओर से/Respondent by : Shri. G. Johnson, Addl. CIT

सुनवाई की तारीख/Date of Hearing : 07.03.2022

घोषणा की तारीख/Date of Pronouncement : 09.03.2022

**आदेश / O R D E R**

**PER ANIKESH BANERJEE, JUDICIAL MEMBER:**

The appeal was filed against the order of the learned Commissioner of Income Tax (Appeals)-14 (in brevity Ld. CIT(A)), Chennai passed u/s. 250(6) of the Income Tax Act, 1961 (in brevity 'the Act') for the assessment year 2014-15 and the order passed on 02.02.2017.

2. The brief fact is that the addition was made by the Ld. Income Tax Officer (in brevity the Ld. AO), Non Corporate Ward 20(5), Chennai u/s. 68 of the Act for depositing cash in assessee's bank amount of Rs.60,09,393/-. The assessee filed an appeal before the Ld. CIT(A) and the Ld. CIT(A) allowed the agricultural income amount of Rs. 23,78,197/- for this assessment year. This particular income from agriculture was in the part of the deposit of cash so the addition u/s. 68 of the Act is reduced Rs. 36,31,196/- (Rs. 60,09,393/- - Rs. 23,78,197/-). The assessee claimed that the assessee had withdrawn cash amount of Rs. 11 lakhs on dated 03.12.2012 and Rs. 24,46,250/- on 07.12.2012 from his own bank account, namely Canara Bank, Chennai Teynampet, bearing account no. 0416101012807. The purpose of withdrawal was that the assessee made an agreement with the party for sale of land. The Id counsel of the assessee filed paper book before the bench. The copy of the agreement dated 22/02/2013 related to purchase of land was filed with paper book bearing pages 1-8 which is kept in record. After that, the deal was cancelled and assessee deposited that particular cash in different dates in the bank account. In this respect, assessee

filed an extract of cash book for the period 01.04.2012 to 31.03.2013 before the bench.

3. The Ld. AO rejected the explanation of the assessee and made the addition in following manner:

*"4. Unexplained cash credit: It was seen from the Canara Bank statement that, cash deposits were made in the assessee's accounts on various dates to the tune of Rs. 63,09,393/-. The assessee vide his submission dated 16.12.2016 had stated that a sum of rs. 23,78,197/- were the cash deposits made out of agricultural activities and stated that the source for balance cash deposits will be provided later. When the assessee is not the owner of any agricultural land or had not done any agricultural activity as discussed above, the assessee was requested to showcause as to why not the explanation given by the assessee for the source of cash deposits i.e. the deposits are by way of agricultural activity be denied and why not the entire cash deposits to the tune of Rs. 60,09,393/- be treated as 'unexplained cash credits' and brought to tax. As usual, the assessee had not responded for this query also.*

*Hence, as per the provisions of section 68 of the Income tax act, 1961 which read as under:*

*"Where any sum is found credited in the books of an assessee maintained for any previous year and the assessee offers no explanation about the nature and source thereof or the explanation offered by him is not in the opinion of the [Assessing] officer satisfactory, the sum so credited may be charges to income tax as he income of the assessee of that previous year."*

*The case deposits found in assessee's Canara Bank account is treated under section 68, as unexplained cash credits."*

4. Against the order of the Id. AO, the assessee filed an appeal before the Ld. CIT(A). The Ld. CIT(A) reduced the addition and made the following observations:

*"22. For the Assessment year 2014-15, the Assessing Officer also made another addition of Rs. 36,31,196/- (60,09393-23,78,197) on the ground that no explanation was furnished by the assessee. During the course of appeal proceedings, the appellant explained that the money withdrawn from the bank account was redeposited into the bank account. Perusal of the bank account*

*shows only two withdrawals i.e., Rs. 11,00,000/- on 03.12.2012 and Rs. 24,46,250/- on 07.12.2012. If the above sums were not utilized for the purpose for which they were withdrawn or less utilized, then the entire sum or the balance sum as the case may be must have been redeposited into the bank account on a few occasions. But there are several deposits made into the bank account after the date of above withdrawals. There is no need to split the withdrawal into several portions and redeposit the same in the bank account. This defies any logic. The appellant is not able to establish the nexus between the withdrawals and the redeposits. Therefore, cash deposit of Rs. 36,31,196/- added u/s. 68 of the Act is hereby confirmed.”*

5. The Ld. Counsel for the assessee argued that after withdrawing the cash for purchasing the land the particular deal was cancelled and amount was deposited in bank in the different dates, so the addition u/s. 68 of the Act cannot be sustained.

6. We heard both the parties. In this stage it is not possible for us to verify each and every cash deposit related to this cash withdrawn as explained by the Counsel of the assessee. In both the stages i.e., in assessment and in appeal the assessee was unable to explain the link between cash withdrawn and cash deposit in the bank. So, the explanation to section 68 of the Act related to deposit of cash would be once to be verified. Considering the fact of the case, the matter is set aside to the Ld. AO, for further verification related deposit of cash amount to Rs. 36,31,196/-.

7. In the result, the appeal filed by the assessee is allowed by statistical purposes.

Order pronounced in the court on 09<sup>th</sup> March, 2022 at Chennai.

**Sd/-**

(जी. मंजुनाथ)

**(G. MANJUNATHA)**

**लेखासदस्य/Accountant Member**

**Sd/-**

(अनिकेश बनर्जी)

**(ANIKESH BANERJEE)**

**न्यायिकसदस्य/Judicial Member**

चेन्नई/Chennai,

दिनांक/Dated, the 09<sup>th</sup> March, 2022

**JPV**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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|------------------------|--------------------------|------------------------------|
| 1. अपीलार्थी/Appellant | 2. प्रत्यर्था/Respondent | 3. आयकर आयुक्त (अपील)/CIT(A) |
| 4. आयकर आयुक्त/CIT     | 5. विभागीय प्रतिनिधि/DR  | 6. गार्ड फाईल/GF             |