

IN THE INCOME TAX APPELLATE TRIBUNAL “A(SMC)” BENCH KOLKATA

आयकर अपीलीय अधीकरण, न्यायपीठ – “A(SMC)” कोलकाता,

**BEFORE SHRI RAJPL YADAV, VICE PRESIDENT
AND SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER**

(समक्ष श्री राजपाल यादव उपाध्यक्ष एवं श्री गिरीश अग्रवाल लेखा सदस्य)

**ITA No.346/Kol/2022
Assessment Year: 2017-18**

Kanchan Chakraborty 5/3/1B, M M Feeder Road, Ariadaha, West Bengal- 700057 (PAN:AFPPC5399L)	Vs.	Income-tax Officer, Ward- 61(2), Kolkata.
(Appellant)		(Respondent)

Present for:

Appellant by : Shri K. M. Roy, AR

Respondent by : Shri P. P. Barman, Addl. CIT (DR)

Date of Hearing : 01.08.2022

Date of Pronouncement : 18.08.2022

ORDER

PER GIRISH AGRAWAL, ACCOUNTANT MEMBER:

This appeal by the assessee is directed against the order of ld. CIT(A), National Faceless Appeal Centre, Delhi vide order No. ITBA/NFAC/S/250/2022-23/1042654910(1) dated 08.04.2022 for A.Y. 2017-18 passed against the assessment order u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred to as ‘the Act’) by ITO, Ward-61(2), Kolkata dated 16.12.2019.

2. Shri K. M. Roy, Ld. AR appeared for the assessee and Shri P. P. Barman, Sr. DR appeared on behalf of the revenue.

3. The assessee has raised the following revised grounds of appeal:

“1. That the addition of Rs.155,000 towards cash deposited in bank account during demonetization period as undisclosed income is unsustainable and incorrect as the assessee has regularly earned salary substantially to cover cash deposit.

2. That the assessment order passed on the scrutiny of original return subsequently revised is non-est and unsustainable in the eyes of

the law since the original return was substituted by the revised return for the purpose of assessment.”

4. Briefly stated facts of the case are that the assessee is an individual filed her return of income on 27.07.2017 declaring total income of Rs.3,00,550/-, comprising of income from salary Rs.4,00,000/- and other sources of income of Rs.68,025/-. During the year an amount of Rs.1,55,000/- has been deposited in the bank account in cash. Before the AO, assessee's contention was that the amount of Rs.1,55,000/- has been deposited in the bank account during the demonetization period out of salary received during the year in cash and past savings. Ld. AO added the said sum of Rs.1,55,000/- as undisclosed income. Aggrieved, assessee preferred an appeal before the Ld. CIT(A), who in turn, dismissed it by observing as under:

“The only ground of appeal is regarding the appellant's statement that the amount deposited in the bank account was part of salary income, as that the only source of his income was salary which was received in cash and deposited into the bank. Thus, he has no hidden unexplained source of income. The appellant's response is a mere statement bereft of any supporting documents evidencing its statement despite the same being asked for in the notices. If as the appellant claims salary of Rs.4,00,000/- was received during the year then the amount on a monthly basis is slightly more than Rs.33,000/- approximately every month. As is a known fact, any payment in excess of Rs.20,000/- has to be necessarily made/received in and is generally made by cheque. Furthermore, no Form 16 reflecting the salary has been produced by the appellant in support of his claim of receipt of salary from which the cash deposit was done. Neither has any copy of contract been furnished by the appellant to show that he was in a contractual agreement in which case also documentation regarding deduction or non-deduction of tax would have existed. The appellant also failed to furnish copies of bank statements in support of his claim that he was depositing the salary in cash in the bank. A more statement by the appellant with no supporting documents being filed till date does not provide any support to his claim that this was salary received by him from which he deposited the sum of Rs. 1,55,000/- in the bank during the demonetization period. The appellant was given multiple and adequate opportunities to furnish evidence including documents in support of the ground of appeal which he failed to do by not furnishing any supporting documents to underscore the genuineness of his claim of source of Rs.1,55,000/- deposited during demonetization period in his bank accounts. In view of the above there is no reason or basis for agreeing with the claim of the appellant regarding the source of the cash deposits in his bank account during the demonetization period. Hence, the only ground of appeal is dismissed.”

5. Aggrieved, the assessee is in appeal before this Tribunal.

6. We have heard rival contentions and gone through the material available on record. Before us, while reiterating the submissions as made before the lower authorities, the Ld. AR submitted that the Ld. AO erred in making addition of Rs.1,55,000/- without any basis. The assessee submitted that the cash deposited in the bank during the period of demonetization was out of her previous savings and savings from salary earned. Per contra, the Ld. Sr. DR submitted that the AO has rightly observed assessee has no other disclosed source of income apart from the income which was declared in her return under the head salary and other source and, therefore, the AO has rightly considered the said amount of Rs.1,55,000/- as undisclosed money and added to the income of the assessee.

7. Admittedly, it is noted that assessee has earned salary income of Rs.4,00,000/- during the year and filed the return of income with total income of rs.3,00,550/-. Deposit of cash has been claimed to be out of current year's salary income and past savings of the assessee. After hearing the rival contentions, we are of the considered view that assessee had duly explained the source of deposit i.e her previous years savings and we safely presume that this amount of Rs.1,55,000/- is the accumulation out of past savings and current year's income. Accordingly, we direct the Ld. AO to delete the addition made. The ground of appeal is allowed.

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

Order is pronounced in the open court on 18th August, 2022

Sd/-

(RAJPAL YADAV)
VICE PRESIDENT

Sd/-

(GIRISH AGRAWAL)
ACCOUNTANT MEMBER

Kolkata, Dated: .08.2022

JD, Sr. P.S.

Copy to:

1. The Appellant:
2. The Respondent:.
3. CIT(A), NFAC, Delhi
4. The CIT-
5. The DR, ITAT, Kolkata Bench, Kolkata

//True Copy//

By Order

Assistant Registrar
ITAT, Kolkata Benches, Kolkata