

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR.**

**BEFORE DR. M. L. MEENA, ACCOUNTANT MEMBER
AND SH. ANIKESH BANERJEE, JUDICIAL MEMBER**

**I.T.A. No. 531/Asr/2018
Assessment Year: 2010-11**

Shri Avtar Singh Mundi, 206, Punjabi Bagh, Village Buldndpur P.O. Nurpur, Jalandhar. [PAN:-AHAPM4309H] (Appellant)	Vs.	ITO Ward-III(1), Jalandhar. (Respondent)
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Appellant by	Sh. Sushil Sharma, Adv.
Respondent by	Sh.S. M. Surendranath, Sr. DR.

Date of Hearing	31.08.2022
Date of Pronouncement	12.09.2022

ORDER

Per:Anikesh Banerjee, JM:

The instant appeal was filed by the assessee against the order of the Id. Commissioner of Income Tax(Appeals)-2, Jalandhar, [in brevity the CIT(A)] bearing appeal no. 2/10647/17-18/CIT(A)/Jal., date of order 20.08.2018, the order passed u/s 250(6) of the Income Tax Act 1961, [in brevity the Act] for A.Y.2010-11. The impugned order was originated from the order of the Id. Income Tax

Officer, Ward-3(1), Jalandhar, (in brevity the AO), order passed u/s 143(3) of the Act, date of order 22.12.2022.

2. Brief fact of the case is that the assessment was completed u/s 143(3) and addition was made amount of Rs.7,20,000/- for depositing cash in bank account on dated 30.12.2009 in two instalments Rs.20,000/- and Rs.7 lac which is worked out total amount of Rs.7,20,000/-. The assessing authority added back the amount for unexplained source of deposit in the bank account. The assessee in his cash account of business declared cash in hand amount Rs.37,091/- but in ITR cash balance was declared Rs.4,29,948/-, which was taken as opening balance in the cash account of assessee.

3. The aggrieved assessee filed an appeal before the Id. CIT(A). The explanation was filed with cash account. The assessee declared in return amount of Rs.3,30,072/- cash balance in the return u/s 139(1) for A.Y. 2009-10.

3.1 The assessee further explained that the cash balance Rs.4,29,948/- is combined of cash receiving from business of assessee in the name & style of M/s Mundi Trading Co. Rs.37,091/-, cash from agricultural income Rs.1,60,000/- and withdrawal from partnership firm M/s EMM Pack Rs.2,32,857/- which is total amount of Rs.4,29,948/-. After payment of expenses the assessee declared in the

return Rs.3,30,072/- as closing cash balance. The ld. CIT(A) upheld the order of the AO.

4. Aggrieved assessee filed an appeal before us.

5. The ld. Counsel for the assessee filed paper book which is containing page no. 1 to 34 and copy of the ITR filed u/s 139(1) for A.Y. 2009-10 which are kept in record. The ld. Counsel argued that the assessee filed a cash flow statement which is annexed in page no. **16 to 34 APB** and the opening balance was taken Rs.3,30,072/- in cash account. He further explained that in cash account sufficient cash was available for depositing Rs.7,20,000/- in bank account. Related to explanation of difference of cash declared in trading account Rs.37,091/- and Rs.4,29,948/- is explained in **page no.17 of APB**. The cash available from trading account of assessee, agricultural income and drawing from partnership firm which was explained above. The assessee filed an ITR in Form no. 4 for A.Y. 2009-10 and the cash balance for financial year 2008-09 is reflected amount to Rs.3,30,072/-. The details were submitted before the ld. AO but without proper verification of the fact the addition was made.

6. The ld. DR vehemently argued and relied on the orders of the revenue authorities.

7. We considered the documents available in the record and orders of both the revenue authorities. The assessee deposited cash Rs.7,20,000/- which was explained through cash account. The cash balance was accepted during the processing of return for A.Y. 2009-10 and the closing cash balance Rs.3,30,072/- is the opening balance for financial year 2009-10. The explanation was filed by a written submission, bank statement and cash flow statements before the ITAT and was filed before the revenue authorities also.

8. We find no infirmity in assessee's contention. There was sufficient cash balance in the hand of assessee for depositing cash Rs 7,20,000/- in bank account. Ld. Sr. DR was not able to bring any contrary facts against the assessee's submission. Accordingly, the addition made by the ld. AO of Rs.7,20,000/- is deleted.

9. In the result, the appeal of the assessee in **ITA No.531/Asr/2018** is allowed.

Order pronounced in the open court on 12.09.2022

Sd/-

(Dr. M. L. Meena)
Accountant Member

Sd/-

(ANIKESH BANERJEE)
Judicial Member

AKV

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By Order