

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: 'D' NEW DELHI**

**BEFORE SHRI G.S. PANNU, PRESIDENT &
SHRI SAKTIJIT DEY, JUDICIAL MEMBER**

ITA No.1716/Del/2020
Assessment Years: 2017-18

Shri Amar Singh, H. No. 1390, Sector 10A, Gurgaon, Haryana PIN: 122 001	Vs.	ACIT, International Taxation, Gurgaon.
PAN :AMOPS1802L		
(Appellant)		(Respondent)

Assessee by	Ms. Shweta Bansal, CA
Department by	Shri Sanjay Kumar, Sr. DR

Date of hearing	05.09.2022
Date of pronouncement	20.09.2022

ORDER

PER SAKTIJIT DEY, JUDICIAL MEMBER:

This is an appeal by the assessee against order dated 20.08.2020 of learned Commissioner (Appeals)-43, New Delhi pertaining to assessment year 2017-18.

2. Ground No.1 is general in nature, hence, does not require adjudication.

3. In ground No.2, assessee has challenged addition of Rs.60,000 representing cash deposited in an account held with Punjab National Bank.

4. Briefly, the facts are, assessee is a non-resident individual deriving income from salary, being employed with Merchant Navy. For the assessment year under dispute, assessee had filed his return of income on 26.07.2017, declaring income of Rs.18,07,019. In course of assessment proceedings, the Assessing Officer noticed that assessee had deposited cash amounting to Rs.4,00,000 in an account with Punjab National Bank. Therefore, he called upon the assessee to furnish the source of such cash deposits. In response to the query raised, assessee submitted that an amount of Rs.3,40,000 was received from sale of a car and the balance amount of Rs.60,000 was received from his wife, out of her past savings. The Assessing Officer, while accepting assessee's submission regarding amount received from sale of car, rejected his submission regarding receipt of Rs.60,000 from his wife. Accordingly, he added back the amount of Rs.60,000 under Section 69A of the Income-Tax Act, 1961. Though, assessee contested

the aforesaid addition before learned Commissioner (Appeals), however, he was unsuccessful.

5. Before us, learned counsel for the assessee reiterated the stand taken before the departmental authorities. Whereas, learned Departmental Representative relied upon the observations of the Assessing Officer and learned Commissioner (Appeals).

6. Having considered rival submissions, we find, assessee's wife is an Income-Tax assessee and files her return of income regularly. Even, for the impugned assessment year, assessee's wife had filed her return of income offering income of Rs.2,86,306.

7. Considering the status of the assessee and his wife, the explanation of assessee that an amount of Rs.60,000 was received from his wife out of her past savings is believable. Accordingly, we hold that the addition of Rs.60,000 under Section 69A of the Act is unjustified. Accordingly, we delete the addition.

8. In ground no. 3, assessee has challenged the addition of cash deposited in the bank account during the demonetization period.

9. In course of assessment proceedings, the assessing officer noticed that during the demonetization period, assessee had deposited

cash of Rs.2,48,000 in his account maintained with Canara Bank. Therefore, he called upon the assessee to explain the source of such cash deposit. In reply, assessee submitted that an amount of Rs.2,00,000 was withdrawn from his account held with Canara Bank and Punjab National Bank for investment in house. However, due to demonetization, assessee could not utilize the same. Hence, redeposited in the bank account. Assessing Officer, however, was not fully convinced with the submission of assessee. Though, he accepted the source of cash deposit of Rs.25,000, however, he didn't accept the source of the balance amount of Rs.2,23,000. Accordingly, he added back the amount of Rs.2,23,000 to the income of assessee under Section 69A of the Act. The addition made was also sustained by learned Commissioner (Appeals).

10. Before us, learned counsel appearing for the assessee submitted that as per CBDT Instruction No.3/2017 dated 21.02.2017, in case of an individual having no business income, no verification is required to be made, if the total cash deposits during the demonetization period is up to Rs.2.50 lacs.

11. Learned Departmental Representative relied upon the observations of the assessing officer and learned Commissioner (Appeals).

12. Having considered rival submissions and perused the material on record, it is observed, CBDT vide Instruction No. 3/2017 dated 21.2.2017 has issued standard operating procedure to be followed by the assessing officer in verification of cash transaction relating to demonetization. In the Annexure to the said instruction, the following guideline has been issued, qua, cash deposit made by an individual having no business income:

“1. Cash out of earlier income or savings

1.1 In case of an individual (other than minors) not having any business, no further verification is required to be made if total cash deposit is up to Rs.2.5 lakh. In case of taxpayers above 70 years of age, the limit is Rs.5.0 lakh per person. The source of such amount can be either household savings/savings from past income or amounts claimed to have been received from any of the sources mentioned in paras 2 to 6 below. Amounts above this cut-off may require verification to ascertain whether the same is explained or not. The basis for verification can be income earned during past years and its source, filing of ROI and income shown therein, cash withdrawals made from accounts etc.”

13. In the facts of the present appeal, undisputedly, assessee is a salaried person having no business income. Further, the cash deposited

during the demonetization period, does not exceed the threshold limit of Rs.2.50 lacs in terms with the CBDT Instruction noted above. The CBDT instruction being beneficial to assessee, has to be applied.

14. In view of the aforesaid, we delete the addition of Rs.2,23,000 made under Section 69A of the Act

15. Ground nos. 4 and 5 being general in nature, do not require adjudication.

16. In the result, appeal is allowed.

Order pronounced in the open court on 20th September, 2022.

Sd/-
(G.S. PANNU)
PRESIDENT

Sd/-
(SAKTIJIT DEY)
JUDICIAL MEMBER

Dated: 20th September, 2022.
Mohan Lal

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi

Sl. No.	Particulars	Date
1.	Date of dictation (Order drafted through Dragon software):	07.09.2022
2.	Date on which the draft of order is placed before the Dictating Member:	09.09.2022
3.	Date on which the draft of order is placed before the other Member:	.09.2022
4.	Date on which the approved draft of order comes to the Sr. PS/PS:	13.09.2022
5.	Date of which the fair order is placed before the Dictating Member for pronouncement:	14.09.2022
6.	Date on which the final order received after having been singed/pronounced by the Members:	20.09.2022
7.	Date on which the final order is uploaded on the website of ITAT:	21.09.2022
8.	Date on which the file goes to the Bench Clerk	21.09.2022
9.	Date on which files goes to the Head Clerk:	
10.	Date on which file goes to the Assistant Registrar for signature on the order:	
11.	Date of dispatch of order:	