

**THE INCOME TAX APPELLATE TRIBUNAL  
DELHIBENCH 'A', NEW DELHI**

**Before Sh. C. M. Garg, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**ITA No. 1687/Del/2021 : Asstt. Year: 2017-18**

Akhil Kumar Bansal, 14-B, Peeth Bazar, New Mandi, Muzaffarnagar, Uttar Pradesh-251001	Vs.	Income Tax Officer, Ward-3(1)(1), Muzaffarnagar, Uttar Pradesh-251002
(APPELLANT)		(RESPONDENT)
<b>PAN No. AMHPB6460A</b>		

**Assessee by : Sh. Ankit Gupta, Adv.**

**Revenue by : Sh. Kanv Bali, Sr. DR**

**Date of Hearing: 14.02.2023**

**Date of Pronouncement: 11.04.2023**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by assessee against the order of National Faceless Appeal Centre (NFAC), Delhi dated 12.10.2021.

2. Following grounds have been raised by the assessee:

*"1. That the NFAC has erred in sustaining the assessment order passed U/s 143(3) by the assessing officer is bad in law.*

*2. That the NFAC has erred in upholding the additions/ disallowances made by the assessing officer at Rs.7,74,100.00 as against income declared at Rs.2,89,100.00.*

*3. That the NFAC has erred in upholding the addition of Rs.4,85,000.00 to the income of the assessee u/s*

*69A on account of unexplained cash deposit in his Bank Account, was made by the assessing officer, which is highly arbitrary and unjustified.*

*4. That, the NFAC has failed to appreciate the explanation given by the assessee, that, the CASH deposit in bank account is squarely covered from the CASH withdrawal from the joint Bank account of the assessee. Hence, the invoking of section 115BBE and Tax @60% is highly arbitrary, unjustified and excessive.*

*5. The NFAC has erred in upholding the action of the assessing officer of applying the provision of section 69A read with 15BBE, which is highly arbitrary, unjustified and against the facts and circumstances of the case.*

*6. The NFAC has erred in making the observation, in the impugned order, which are unjustified, unlawful and based on mere surmises and conjunctures. The additions made cannot be justified by any material on record and also excessive.*

*7. That, the NFAC has erred in not providing proper and adequate opportunity of hearing to the Appellant to place the evidence/details on record to substantiate its claim during the assessment proceedings.*

*8. The explanation given in the evidence produced, material placed that has been made available on record has not been properly considered and judicially interpreted and the same do not justify the additions/allowances made.*

*9. The interest under Section 234A and 234B has been wrongly and illegally charged as the Appellant could not have foreseen the additions/ disallowances made and could not have included tire same in current income for payment of Advance tax. The interest charged under various sections is also wrongly worked out.*

*10. That the Assessing Officer has erred in issuing the notice U/s 271AAC and initiating the penalty*

*proceedings when the assessee appellant has not concealed the particular of any income or furnished inaccurate particulars of such income."*

3. The assessee filed return of income on 28.03.2018 declaring total income of Rs.2,89,100/-. The AO found that an total amount of Rs.7,85,000/- was deposited in cash in account no. 033200000008370 with Nainital Bank and account no. 50100128070158 with HDFC Bank during the demonetization period.

4. The assessee was asked to furnish the details of sources of cash deposit during the demonetization period alongwith supporting documents. In response, the assessee has furnished that the source of cash deposit was available cash in hand, and to Justify the availability the assessee has submitted that he has withdrew the cash of Rs. 3,00,000 on 21.05.2015, Rs. 3,00,000/- on 28.05.2015 and Rs. 3,00,000/- on 16.06.2016 from the account no. 07561000102625 with Punjab and Sindh Bank and he has also submitted that he has sold 1/2 share of shop on 13.02.2017 and respective advance of Rs.3,00,000 was received through RTGS on 15.06.2016 and 16.06.2016, which was withdrawal from the account, which is evident from the copy of deed. The copy of the deed was obtained from the assessee. The copy of other bank account was also obtained from the bank. The assessee has also submitted the photo copies of Bank Statement, for the period 16.05.2015 to 25.05.2017 of Account No.07561000102625 with Punjab and Sindh Bank It is clear from the bank statement, the assessee has not deposited any cash in demonetization (09.11.2016 to 30.12.2016)period. the assessee has meet out house hold with his father Shri Naveen Kumar and his wife Smt. Swati Bansal. It

was submitted that the wife of assessee Smt. Swati Bansal has doing Teaching Job in School and earned Salary @ Rs.9,500.00 per month. The assessee was confronted with these facts and further asked why not the amount of Rs. 4,85,000/-, the source of which was cash withdrawal during the year 2015 as per assessee, be treated as deposit from income from undisclosed sources.

5. In response thereto the reply furnished by the assessee is reproduced as under:

*"That, the assessee has meet out household with his father Shri Naveen Kumar and his wife Smt. Swati Bansal. The wife of assessee Smt. Swati Bansal has doing teaching job in school and earned salary @ 9,500/- per month. The assessee made household expenses @ 7,500 per month, which is genuine and reasonable from the size of the family."*

6. The Assessing Officer held that the assessee could not explain and establish source & nature of the cash aggregating to Rs. 4,85,000/- deposited in his bank accounts and added to the total income of the assessee for taxation.

7. The Id. CIT(A) confirmed the addition of Rs.4,85,000/- and accepted the sources of Rs.3,00,000/-.

8. Heard the arguments of both the parties and perused the material available on record.

9. We have examined the issue in detail. We have gone through the cash flow statement along with the deposits in the bank and withdrawal. The entire details are as under:

Cash Flow Statement – Akhil Kumar Bansal
01.04.2015 to 31.03.2016

Date	Particulars	Debit	Credit	Balance
<b>01-04-2015</b>	<b>Opening Balance</b>		<b>48,670.00</b>	48,670.00
05-04-2015	House Hold Expenses	7,500.00		41,170.00
05-05-2015	House Hold Expenses	7,500.00		33,670.00
16-05-2015	To cash deposit in Punjab & Sind Bank joint Ac. No.02625	1,000.00		32,670.00
21-05-2015	By Cash withdrawal in Punjab & Sind Bank Joint a/c No. 02625		3,00,000.00	3,32,670.00
28-05-2015	By Cash withdrawal in Punjab & Sind Bank Joint a/c no.02625		3,00,000.00	6,32,670.00
05-06-2015	House Hold Expenses	7,500.00		6,25,170.00
05-07-2015	House Hold Expenses	7,500.00		6,17,670.00
05-08-2015	House Hold Expenses	7,500.00		6,10,170.00
05-09-2015	House Hold Expenses	7,500.00		6,02,670.00
05-10-2015	House Hold Expenses	7,500.00		5,95,170.00
05-11-2015	House Hold Expenses	7,500.00		5,87,670.00
19-11-2015	To Cash Deposit in HDFC Bank a/c No. 70158		1,000.00	5,88,670.00
05-12-2015	House Hold Expenses	7,500.00		5,81,170.00
05-01-2016	House Hold Expenses	7,500.00		5,73,670.00
05-02-2016	House Hold Expenses	7,500.00		5,66,170.00
05-03-2016	House Hold Expenses	7,500.00		5,58,670.00
	<b>Closing Balance as on 31.03.2016</b>			<b>5,58,670.00</b>

Cash Flow Statement – Akhil Kumar Bansal
01.04.2016 to 31.03.2017

Date	Particulars	Debit	Credit	Balance
<b>01-04-2016</b>	<b>Opening Balance</b>			<b>5,58,670.00</b>
05-04-2016	House Hold Expenses	7,500.00		<b>5,51,170.00</b>
05-05-2016	House Hold Expenses	7,500.00		5,43,670.00
18-05-2016	To cash deposit in Punjab & Sind Bank joint Ac/c No. 02625	1,000.00		5,42,670.00
05-06-2016	House Hold Expenses	7,500.00		5,35,170.00
16-06-2016	By Cash withdrawal in Punjab & Sind Bank Joint a/c No.02625		3,00,000.00	8,35,170.00
05-07-2016	House Hold Expenses	7,500.00		8,27,670.00
05-08-2016	House Hold Expenses	7,500.00		8,20,170.00
05-09-2016	House Hold Expenses	7,500.00		8,12,670.00
05-10-2016	House Hold Expenses	7,500.00		8,05,170.00
05-11-2016	House Hold Expenses	7,500.00		7,97,670.00
11-11-2016	To Cash deposit in Nainital Bank a/c No. 8370	2,50,000.00		5,47,670.00
16-11-2016	To Cash Deposit in HDFC Bank a/c no.70158	5,35,000.00		12,670.00
05-12-2016	House Hold Expenses	7,500.00		5,170.00
07-12-2016	By cash withdrawal in Nainital Bank a/c No. 8370		10,000.00	15,170.00

08-12-2016	By Cash withdrawal in HDFC Bank a/c No.70158		24,000.00	39,170.00
13-12-2016	By Cash withdrawal in Nainital Bank a/c No.8370		5,000.00	44,170.00
05-01-2017	House Hold Expenses	7,500.00		36,670.00
05-02-2017	House Hold Expenses	7,500.00		29,170.00
05-03-2017	House Hold Expenses	7,500.00		21,670.00
20-03-2017	By Cash withdrawal in HDFC Bank a/c No. 70158		15,000.00	36,670.00
28-03-2017	To Cash deposit in Nainital Bank a/c No.8370	5,731.00		30,939.00
				30,939.00
<b>Closing Balance as on 31.03.2017</b>				<b>30,939.00</b>

10. Hence, we hold that the Id. CIT(A) has rightly accepted the sources of Rs.3,00,000/- but erred in confirming the addition of Rs.4,85,000/- as the cash flow proves the sources of accounted funds that have been deposited in the bank account.

11. In the result, the appeal of the assessee is allowed.  
Order Pronounced in the Open Court on 11/04/2023.

Sd/-

**(C. M. Garg)**  
**Judicial Member**

Sd/-

**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**Dated: 11/04/2023**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

**ASSISTANT REGISTRAR**