

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH “SMC”: NEW DELHI**

**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER**

**ITA No. 1423/DEL/2022**  
**Assessment Year: 2017-18**

Tikaram Sharma, VPO Khambi Saraiya Mohalla, The. Hodal, Palwal-121106.	<u>Vs</u>	Income-tax Officer, Ward-2(4), Faridabad.
PAN- AJWPS4711M		
<b>APPELLANT</b>		<b>RESPONDENT</b>
<b>Assessee represented by</b>	<b>Shri Anand Pandey, Adv.</b>	
<b>Department represented by</b>	<b>Shri Om Parkash, Sr. DR</b>	
<b>Date of hearing</b>	<b>25.05.2023</b>	
<b>Date of pronouncement</b>	<b>31.05.2023</b>	

**ORDER**

**PER KUL BHARAT, JM:**

This appeal, by the assessee, is directed against the order of the learned Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi, dated 20.12.2021, pertaining to the assessment year 2017-18. The assessee has raised following grounds of appeal:

“1. That on the facts and circumstances of the case and in the Law, the NFAC has grossly erred in sustaining assessment order u/s 143(3) assessing income at Rs. 18,41,200 being without jurisdiction.

2. That on the facts and circumstances of the case and in the Law the

*NFAC has grossly erred in sustaining addition of Rs. 11,00,000 u/s 69A r/w sec 115BBE.”*

2. Facts, in brief, are that for A.Y. 2017-18 the assessee filed his return on 27.02.2018, declaring income of Rs. 7,41,200/-. As per information available with the department, the assessee had deposited Rs. 11,00,000/- in a/c no. 17341000023568 with HDFC Bank Limited during demonetization period. Therefore, the case of the assessee was selected for limited scrutiny through CASS to examine the issue “Cash deposit during demonetization period”. In response to notice issued by the AO to explain the source of cash deposit in his savings bank a/c, the assessee vide letter dated 9.7.2019 explained that the cash had been deposited out of opening balance and received from different persons. For want of supporting evidence, the learned AO rejected the explanation furnished by the assessee and concluded that the assessee had made cash deposits from undisclosed sources. The AO, accordingly, completed the assessment at a total income of Rs. 18,41,200/- by adding Rs. 11,00,000/- to the returned income, u/s 69A of the Income-tax Act, 1961 (the “Act”). Aggrieved against this the assessee preferred appeal before the learned CIT(Appeals), who also affirmed the action of the AO. Aggrieved against this the assessee is in appeal before this Tribunal.

3. The only issue is against sustaining the addition of Rs. 11,00,000/- being the amount deposited by the assessee in his bank account. Learned counsel for the

assessee submitted that the learned CIT(Appeals) failed to appreciate the fact that the assessee was having source of income. He has also given cash flow statement. The Authorities below did not consider the cash flow statement as submitted by the assessee.

4. On the other hand learned DR opposed the submissions and supported the orders of the authorities below.

5. I have heard rival contentions and perused the material available on record. I find that for the assessment year under consideration the assessee has claimed opening balance of Rs. 8,65,146/-. The assessee had deposited amount of Rs. 11,00,000/- in HDFC Bank. The Authorities below have not appreciated the fact regarding earning of income by the assessee and his bank statement. In the absence of inquiry by the Assessing Officer and bringing any adverse material against the assessee, the addition made by the Assessing Officer cannot be sustained as same is based upon mere conjectures. Accordingly, the impugned addition is hereby deleted and the grounds raised in this appeal are allowed.

6. Appeal of the assessee stands allowed.

Order pronounced in open court on 31<sup>st</sup> May, 2023.

**Sd/-**  
**(KUL BHARAT)**  
**JUDICIAL MEMBER**

\*MP\*

Copy forwarded to:

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

ASSISTANT REGISTRAR  
ITAT, NEW DELHI