

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DEHRADUN CIRCUIT BENCH: DEHRADUN**

**BEFORE, SHRI SAKTIJIT DEY, VICE PRESIDENT
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

**ITA No.18/DDN/2022
(Assessment Year: 2017-18)**

Smt. Manju Bankoti, Heeranagar, Haldwani	Vs	ITO, Ward-2(1)(2), Haldwani
PAN -AHJPB1012F		
(Appellant)		(Respondent)

Appellant By	Sh. Prashant Kackar, Advocate
Respondent by	Sh. A.S. Rana, Sr. DR
Date of Hearing	21.06.2023
Date of Pronouncement	23.06.2023

ORDER

This is an appeal by the assessee against order dated 08.03.2021 passed by learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, pertaining to assessment year 2017-18.

2. Though, the assessee has raised several grounds of appeal before us, the only effective issue to be decided in this appeal is, as to whether the learned Commissioner Tax Appeals (A), National

Faceless Appeal Centre [hereinafter referred to as 'CIT(A) NFAC'] was justified in restricting the addition to Rs.7,40,000/- as unexplained money under section 69A read with section 115BBE of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') in the facts and circumstances of the instant case.

2. We have heard rival submissions and perused the materials available on record. The assessee is an individual senior citizen aged about 69 years deriving income from pension from past 9 years after retirement from Government Job as a teacher and earning interest income from banks. During the year under consideration, the assessee had deposited a sum of Rs.9,90,000/- during demonetization period in demonetized currency. The assessee was directed by the assessee to furnish explanation together with the source for the same. The assessee explained that he had made two withdrawals of cash from his bank account, amounting to Rs.5 lakhs each on 02.05.2016 and 03.05.2016 respectively. The said money was held by him as cash balance and since the assessee had to go out of station to take care of his ailing

daughter-in-law in Delhi, he thought it fit to deposit the cash in the bank account. By that time since demonetization was announced by the Government, he was forced to deposit the cash in demonetized currency during the demonetization period. This explanation was, however, not accepted by learned AO and the learned AO proceeded to make addition of Rs.9,90,000/- as unexplained money under section 69A read with section 115BBE of the Act. The assessee filed affidavit confirming the aforesaid narration of facts before the learned CIT(A). However, learned CIT(A) did not heed to the contentions and gave partial relief to the assessee to the extent of 2,50,000/- on account of past savings and sustained the remaining addition of Rs.7,40,000/-.

3. We find that the assessee had made withdrawals during the year under consideration from his bank and had deposited the same during the demonetization period in order to go out of the station to New Delhi to take care of his ailing daughter-in-law. It is not the case of the Revenue that the cash balance so withdrawn by the assessee had been used for any other purposes. The said cash

withdrawals of Rs.10 lakhs is available as a cash source with the assessee for explaining the cash deposits made during the demonetization period apart from personal savings. Reliance is also placed on the decision of Pune Tribunal in the case of Sunanda Sanjay Chandeliya Vs. ITO, ITA No.1967/Pun/2018 dated 02.05.2019. The relevant portion of the aforesaid decision is reproduced as under:

“5. Adverting to the facts of the instant case, it is seen that the assessee was regularly filing returns and balance sheets on year to year basis. The availability of cash in hand from maturity of FDRs in past and re-depositing of proceeds in the bank account in the instant year, cannot be doubted as the factum of maturity of FDRs has not been dispute by the AO. When the Hon’ble Kerala High Court in the aforementioned case has accepted the availability of unutilized cash for four years as reasonable, there is no reason to doubt such availability for two years in the instant case. In view of the foregoing discussing, I am satisfied that the addition was wrongly sustained. I, therefore, order to deleted addition.”

4. In view of the aforesaid observations and respectfully following the judicial precedents relied upon hereinabove, we uphold that the entire cash deposit made during the demonetization period stands properly explained. Hence, there is no case for making addition under section 69A of the Act. Accordingly, the grounds raised by the assessee are allowed.

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

Order pronounced in Open Court on 23rd June, 2023

Sd/-
(SAKTIJIT DEY)
VICE PRESIDENT

Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 23/06/2023

RK/Sr.PS

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT NEW DELHI
(Dehradun Circuit Bench, Dehradun)