

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH: C: NEW DELHI

BEFORE SHRI CHANDRA MOHAN GARG, JUDICIAL MEMBER
AND
SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER

ITA No.820/Del/2021
Assessment Year: 2017-18

Smt. Fahmida Khatoun, Islahul Khatwateen High School, Ladhawala, Muzaffarnagar-251001 PAN ALAPB 5997 N	vs.	ITO, Ward-3(1)(2), Meerut Road, Muzaffarnagar 251002
(Appellant)		(Respondent)

For Assessee:	Shri Ankit Gupta, Adv.
For Revenue :	Shri G.R. Nirwan, Sr. DR

Date of Hearing :	20.09.2023
Date of Pronouncement :	13.10.2023

ORDER

PER CHANDRA MOHAN GARG, J.M.

This appeal has been filed the assessee against the order of CIT(A)/NFAC dated 27.04.2021 for AY 2017-18.

2. Although the assessee has raised as many as nine grounds but except ground no. 2 other grounds are argumentative and supportive to the said main effective ground no. 2 which is as follows:-

2. The addition/ disallowances made by the assessing officer are illegal, unjust, highly excessive and are not based on any material on record by the assessing officer. The total income of the appellant has been wrongly and illegally computed by the assessing officer at Rs.13,23,320.00 as against declared income of Rs.3,23,224.00. The CIT (A) has erred in confirming the addition to Rs.10,00,100.00, which is highly arbitrary and unjustified.

3. The Id. counsel submitted that the assessee was a Govt. teacher and retired during the financial period 2014-15 relevant to AY 2015-16. He further submitted that

the assessee during the demonetization period deposited cash of Rs. 13,50,100/- to her bank account and the Assessing Officer made addition of said amount to the income of assessee disbelieving the explanation of assessee. The Id. counsel also submitted that the Id. CIT(A) being satisfied with the explanation of the assessee allowed relief of Rs. 3,50,000/- but upheld remaining part of addition amounting to Rs. 10,00,100/- without any basis therefore the same may kindly be set aside. Keeping in view a very relevant fact that the cash flow statement submitted by the authorities below clearly show that there was opening balance of Rs. 80,000/- as on 01.04.2013 and the assessee was consistently depositing and withdrawing amounts to her bank account and in the cash flow statement the assessee has also reduced monthly household expenses. The Id. counsel submitted that on announcement demonetization the assessee had no option but to deposit the same to her bank account. The assessee being a senior citizen could able to deposit the cash in three installments due to heavy rush in the banks as everybody was running to the banks to deposit cash to their bank accounts.

4. The Id. counsel submitted that the Assessing Officer has disputed deposit of Rs. 13,50,100/- out of which CIT(A) has granted part relief of Rs. 3,50,000/- upholding the remaining amount of Rs. 10,00,100/-. He further submitted that the cash flow statement submitted by the assessee based bank account and personal financial affairs of assessee reveals that immediately prior to demonetization between 07.03.2015 to 05.11.2016 there was total cash withdrawals of Rs. 15 lakhs in eight installments which is higher than the total impugned amount of cash desposit of Rs. 13,50,100/- therefore the Id. CIT(A) ought to have deleted the entire addition made by the Assessing Officer. The Id. counsel also pointed out that when Rs. 3,50,000/- is accepted than the same logic is to be applied to the remaining amount. The Id. AR has also placed reliance on the order of ITAT Delhi Bench in the case of Akhil Kumar Bansal vs ITO in ITA No. 1687/Del/2021 for AY 2017-18 to submit that appeal of the assessee may kindly be allowed.

5. Replying to the above the Id. Senior DR supported the orders of the authorities below and submitted that there was no valid reason to explain the source of huge cash

deposit to the bank account of assessee therefore the Id. CIT(A) was quite justified in granting part relief and upholding the remaining part of addition. He further submitted that it is not clear that how the assessee maintained her livelihood without any withdrawals and what was the purpose of keeping huge cash in hand.

6. Replying to the above the Id. counsel submitted that in the cash flow statement available at pages 15-16 of assessee paper book reveals that the assessee is consistently making withdrawals towards house hold expenses which was Rs. 20,000/- per month during FY 2016-17 therefore allegation of Senior DR is not correct. He further submitted that the assessee being senior citizen and lonely lady under in security feelings were keeping cash with her and keeping cash is not violation of any law therefore keeping in view cash withdrawals by the assessee immediately before demonetization the entire addition may kindly be deleted.

7. First of all we note that the authorities below have not disputed cash flow statement submitted by the assessee from 01.04.2013 to 10.03.2017. The factual contentions of assessee regarding withdrawals during FY 2015-16 & 2016-17 are based on following cash flow statement:-

08/04/15	By State Bank of India - 20141290813 - Cash Withdrawal		50,000.00	7,30,000.00
10/04/15	House Hold Expenses	15,000.00		7,15,000.00
10/05/15	House Hold Expenses	15,000.00		7,00,000.00
14/05/15	By State Bank of India - 20141290813 - Cash Withdrawal		3,00,000.00	10,00,000.00
10/06/15	House Hold Expenses	15,000.00		9,85,000.00
10/07/15	House Hold Expenses	15,000.00		9,70,000.00
10/08/15	House Hold Expenses	15,000.00		9,55,000.00
10/09/15	House Hold Expenses	15,000.00		9,40,000.00
10/10/15	House Hold Expenses	15,000.00		9,25,000.00
10/11/15	House Hold Expenses	15,000.00		9,10,000.00
10/12/15	House Hold Expenses	15,000.00		8,95,000.00
10/01/16	House Hold Expenses	15,000.00		8,80,000.00
04/02/16	By State Bank of India - 20141290813 - Cash Withdrawal		3,00,000.00	11,80,000.00
10/02/16	House Hold Expenses	15,000.00		11,65,000.00
10/03/16	House Hold Expenses	15,000.00		11,50,000.00
31/03/16	By State Bank of India - 20141290813 - Cash Withdrawal		2,00,000.00	13,50,000.00
10/04/16	House Hold Expenses	20,000.00		13,30,000.00
10/05/16	House Hold Expenses	20,000.00		13,10,000.00
10/06/16	House Hold Expenses	20,000.00		12,90,000.00
27/06/16	By State Bank of India - 20141290813 - Cash Withdrawal		50,000.00	13,40,000.00
10/07/16	House Hold Expenses	20,000.00		13,20,000.00
10/08/16	House Hold Expenses	20,000.00		13,00,000.00
10/09/16	House Hold Expenses	20,000.00		12,80,000.00
10/10/16	House Hold Expenses	20,000.00		12,60,000.00
05/11/16	By State Bank of India - 20141290813 - Cash Withdrawal		2,00,000.00	14,60,000.00
10/11/16	House Hold Expenses	20,000.00		14,40,000.00
11/11/16	To State Bank of India - 20141290813 - Cash Deposit	3,00,000.00		11,40,000.00
11/11/16	By State Bank of India - 20141290813 - Cash Withdrawal		10,000.00	11,50,000.00
15/11/16	To State Bank of India - 20141290813 - Cash Deposit	9,00,000.00		2,50,000.00
25/11/16	To Post office Cash Deposit	1,50,100.00		99,900.00
10/12/16	House Hold Expenses	20,000.00		79,900.00
10/01/17	House Hold Expenses	20,000.00		59,900.00
10/02/17	House Hold Expenses	20,000.00		39,900.00
10/03/17	House Hold Expenses	20,000.00		19,900.00

8. Since the total amount of cash deposited by the assessee during demonetization was Rs. 13,50,100/- and the Id. CIT(A) granted part relief of Rs. 3,50,000/- confirming the remaining amount of Rs. 10,00,100/- ignoring the fact that during FY 2015-16 & 2016-17 there were total cash withdrawals of Rs. 11 lakh in six installments and prior to that on 07.03.2015 and 12.03.2015 there were cash withdrawals of Rs. 2 lakh each on both the dated thus total cash withdrawals comes to Rs. 15 lakh immediately before demonetization. These facts are in confirmatory with the copy of bank statement of account submitted by the assessee before the authorities below available at pages 3 to 11 of assessee paper book. The cash flow statement also reveals that the assessee has a reduced household expenses every month of Rs. 15,000/- up to March 2016 and thereafter Rs. 20,000/- per month from the cash accumulated with her therefore contention of the Id. Senior DR are not tenable. Above notes and factual position has not been controverted by Assessing Officer or Id. CIT(A) or the Id. Sr. DR.

9. In view of above, we reach to a logical conclusion that the assessee has explained source of cash deposit to her bank account and thus no addition is called for on the allegation of unexplained cash deposit to the bank account of assessee during demonetization period. Our conclusion also gets support from the orders of ITAT Delhi bench in the case of Akhil Kumar Bansal vs ITO (supra) & in the case of Om Prakash Nahar vs. ITO in ITA No. 960/Del/2021 dated 27.01.2022 for AY 2017-18 as relied by the Id. counsel of assessee. Accordingly, sole grievance of assessee is allowed and the Assessing Officer is directed to delete the entire addition.

10. In the result, the assessee is allowed.

Order pronounced in the open court on 13.10.2023.

Sd/-
(GIRISH AGRAWAL)
ACCOUNTANT MEMBER

Sd/-
(CHANDRA MOHAN GARG)
JUDICIAL MEMBER

Dated: 13th October, 2023.

NV/-

Copy forwarded to :

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

// By Order //

Asstt. Registrar, ITAT, New Delhi