

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD “SMC” BENCH, AHMEDABAD**

**BEFORE Ms. SUCHITRA KAMBLE, JUDICIAL MEMBER**

**ITA No.646/Ahd/2023  
Assessment Year: 2017-18**

Dharmendra Ramanlal Kotak, I-404, Shakuntal Appartment, B/H. Girivar Bunglows, Opp. Ramvadi Tekra, Isanpur, Ahmedabad – 380 050. <b>[PAN – APHPK 0102 K]</b> (Appellant)	Vs.	The Income Tax Officer, Ward – 3(2)(6), Now Ward 3(2)(1) Ahmedabad. (Respondent)
Assessee by	Shri Prakash D. Shah, CA	
Revenue by	Ms. Saumya Pandey Jain, Sr. DR	
Date of Hearing	18.10.2023	
Date of Pronouncement	03.01.2024	

**ORDER**

This appeal is filed by the assessee against order dated 02.08.2023, passed by the CIT(A), National Faceless Appeal Centre (NFAC), Delhi for the Assessment Year 2017-18.

2. The assessee has raised the following grounds of appeal :-

- “1. That the learned National Faceless Appeal Centre (NFAC) has erred in law and facts by not quashing the assessment proceeding due to violation of principles of natural justice and therefore the learned AO should be directed to accept the returned income.
2. That the learned National Faceless Appeal Centre (NFAC) has erred in law and facts by confirming the addition of cash deposited into bank account of Rs.13,50,000/- under Section 69A of the Act, treated as unexplained Money, therefore the learned AO should be directed to delete the said addition while computing the total income.”

3. The assessee filed return of income on 30.08.2017 declaring total income of Rs.2,27,190/- whereas the case was selected for scrutiny. The assessment under Section 143(3) of the Income Tax Act, 1961 was completed on 15.11.2019

thereby making addition of Rs.13,50,000/- in respect of unexplained cash deposit under Section 69A of the Act.

4. Being aggrieved by the Assessment Order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The Ld. AR submitted that the assessee before the Assessing Officer as well as before the CIT(A) has submitted the Bank statement and cash books and from the same it is evident that the assessee has sufficient cash balance of Rs.14,22,551/- to deposit cash of Rs.13,50,000/-. The same was filed before the CIT(A) but the statement dated 12.04.2021 and supporting claim of having cash balance and the daily cash was submitted on 12.04.2021 as well by the assessee. The Ld. AR submitted that all these evidences were totally ignored by the Assessing Officer as well as by the CIT(A). The Ld. AR further submitted that since the assessee has maintained the books of account and the said amount is duly reflected in the books of account. Therefore, addition under Section 69A of the Act cannot be made.

6. The Ld. DR relied upon the Assessment Order and the order of the CIT(A).

7. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the assessee has filed bank statement, cash books and books of account before the Assessing Officer as well as before the CIT(A). From the perusal of the records, it appears that the assessee has deposited cash of Rs.50,000/- during the Assessment Year 2017-18 out of the cash withdrawal of Rs.24,27,000/- during the said Assessment Year and is regularly maintaining books of account. The bank statement clearly indicates that during the period 16.05.2016 to 07.11.2016 the assessee has withdrawn several cash for which the assessee has given the reason that due to social and medical purpose and ill health of family members, the assessee has to constantly keep the cash in hand. The assessee's explanation is tenable from the records and after declaration of demonetization the assessee has deposited Rs.13,50,000/- on 12.11.2016 and remaining amount was held in cash by the assessee. Thus, the

Assessing Officer as well as the CIT(A) has totally ignored these evidences and, therefore, addition does not sustain. Hence, appeal of the assessee is allowed.

8. In the result, appeal filed by the assessee is allowed.

Order pronounced in the open Court on this 3<sup>rd</sup> January, 2024.

Sd/-  
**(SUCHITRA KAMBLE)**  
Judicial Member

**Ahmedabad, the 3<sup>rd</sup> January, 2024**  
**PBN/\***

Copies to: (1) *The appellant*  
(2) *The respondent*  
(3) *CIT*  
(4) *CIT(A)*  
(5) *Departmental Representative*  
(6) *Guard File*

*By order*

*Assistant Registrar*  
*Income Tax Appellate Tribunal*  
*Ahmedabad benches, Ahmedabad*