

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES “SMC”, HYDERABAD**

BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER

ITA No.14/Hyd/2024		
Assessment Year: 2017-18		
Dhamodhar Alla, Plot No.9, Anjanapuri Colony, Nacha Bollarum, Alwal, Hyderabad. Telangana. PAN : BCSPA9395M.	Vs.	The Income Tax Officer, Ward 15(1), Hyderabad.
(Appellant)		(Respondent)
Assessee by:		Shri G. Pawan Kumar, CA (appeared through virtual mode)
Revenue by:		Shri Rohit Mujumdar, Sr.A.R. (appeared through virtual mode)
Date of hearing:		23/01/2024
Date of pronouncement:		30/01/2024

ORDER

PER LALIET KUMAR, J.M.

The appeal of the assessee for A.Y. 2017-18 arises from the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dt.07.11.2023 invoking proceedings under section 144 of the Income Tax Act, 1961 (in short, “the Act”).

2. The grounds raised by the assessee read as under :

“ 1. *The Order of the Learned Commissioner of Income Tax (Appeals) is erroneous in Law and on the facts of the case.*

2. *The Learned Commissioner of Income Tax (Appeals) has erred in making addition of Rs.11,20,000/- as unexplained money u/s 69A of the Income Tax Act, 1961.*

3. *The Learned Commissioner of Income Tax (Appeals) has erred in raising a tax demand of Rs. 11,16,108/-.”*

3. The brief facts of the case are that in the present case, assessee was found to have made cash deposits of Rs.11,20,000/- during demonetization period in the Karnataka Bank. Hence, a notice u/s 142(1) of I.T. Act was issued and served to the assessee calling for an explanation regarding sources for deposits. In reply, assessee submitted that he was a retired head master and accumulated savings of himself and his wife for last several years and that he kept the amount in house for medical expenses and due to sudden demonetization of high denomination notes, the cash available was deposited in the account. However, the reply given by the assessee was not believed by the Assessing Officer holding that the amounts drawn for the last 19 years could be available for depositing in the bank account and that no evidence was produced and hence, he treated the entire cash deposits as unexplained money and added back the same to the income of the assessee u/s 69A of I.T. Act and accordingly, passed assessment order on 27.12.2019 u/s 144 of the Act.

4. Feeling aggrieved with the order of Assessing Officer, assessee filed an appeal, which was later migrated to the Id.CIT(A), NFAC, Delhi, who dismissed the appeal of assessee.

5. Before me, the Id. AR submitted that the assessee, who is a retired Head Master, had deposited a sum of Rs.11,20,000/- during the period of demonetization. Regarding the sources of the said cash deposits, the Id. AR stated that Rs.3,65,000/- was received by the assessee as retirement benefits, and Rs.3,75,000/- was received towards savings. He further contended that the cash deposits were made from the combined savings of the assessee and his wife, and emphasized that the sources for the entire cash deposits are legitimate. The learned Authorized Representative urged that considering these valid explanations and taking into account the age of the assessee, the addition made in the present case as unexplained income should be deleted.

6. On the other hand, Ld. D.R. relied upon the orders of lower authorities.

7. I have heard the rival contentions of both the parties and perused the material available on record. On perusal of the orders of lower authorities, the submissions made by the assessee, and the facts pertaining to the cash deposits, it is established that the assessee deposited Rs.11,20,000/- during the demonetization period. The assessee's contention that, due to old age, the funds were kept for emergency expenses such as medical needs, is plausible. It is also reasonable to accept that, as senior citizens, the

assessee and his wife had saved money for unforeseen requirements. Considering the totality of the facts and circumstances, I am of the opinion that assessee, being a retired Head Master, deserves some relief. While the assessee has satisfactorily explained the source of cash deposits amounting to Rs.7,40,000/-, he has failed to account for the sources of the remaining amount. In the interest of justice and considering the totality of the facts and circumstances in this case, I find it appropriate to uphold the addition to the extent of Rs.3,80,000/- and thereby delete the addition of Rs.7,40,000/-. Accordingly, an addition to an extent of Rs.3,80,000/- is confirmed and the remaining amount of Rs.7,40,000/- is deleted. Thus, the appeal of the assessee is partly allowed.

8. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the Open Court on 30th January, 2024.

Sd/-

(LALIET KUMAR)
JUDICIAL MEMBER

Hyderabad, dated 30th January, 2024.

TYNM/sps

Copy to:

S.No	Addresses
1	Dhamodhar Alla, Plot No.9, Anjanapuri Colony, Nacha Bollarum, Alwal, Hyderabad. Telangana.
2	The Income Tax Officer, Ward 15(1), Hyderabad.
3	PCIT, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order