

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'H', NEW DELHI**

Before Dr. B. R. R. Kumar, Accountant Member

Ms. Astha Chandra, Judicial Member

ITA No. 3210/Del/2023 : Asstt. Year : 2017-18

Urmil Sharma, D-5A, DDA Flats, Munirka, New Delhi-110067	Vs	Income Tax Officer, Ward-67(4), New Delhi
(APPELLANT)		(RESPONDENT)
PAN No. APOPS3878P		

**Assessee by : Sh. Baldev Raj, CA &
Sh. Maneesh Upneja, CA
Revenue by : Sh. Amit Katoch, Sr. DR**

Date of Hearing: 14.02.2024

Date of Pronouncement: 27.02.2024

ORDER

Per Dr. B. R. R. Kumar, Accountant Member:

The present appeal has been filed by the assessee against the order of National Faceless Appeal Centre (NFAC), Delhi dated 06.09.2023.

2. Following grounds have been raised by the assessee:

"1. On the facts and circumstances of the case & in law, the Ld. AO/ CIT (Appeals) grossly erred in confirming an addition of Rs. 8,00,000 by invoking the provisions of section 69A r.w.s 115BBE of the Income Tax Act, 1961.

2. On the facts and circumstances of the case & in law, the Ld. AO/ CIT (Appeals) erred in not appreciating that the provisions of section 69A r.w.s. 115BBE of the Act were not applicable in the instant case.

3. On the facts and circumstances of the case & in law, the Ld. CIT(Appeals) erred in sustaining the addition made by the Ld. AO on the issue of cash deposited by the Appellant amounting to Rs. 8,00,000/- ignoring the

evidences explaining the nature and source thereof submitted before the authorities.

4. That the Ld. AO erred on facts and in law in initialing penalty proceedings u/s 271AAC of the Act."

3. The assessee is a 72 years old lady, retired from Delhi Government and filed her income tax return for the A.Y 2017-18 on 22.07.2017, declaring total income of Rs. 9,58,810/- and claimed refund of Rs. 890/-. The case was selected for the limited scrutiny vide notice dated 24.09.2018 issued notice u/s 143(2) of the Act and the issue for examination was identified as cash deposits.

4. During the period 09.11.2016 to 30.12.2016, the assessee deposited cash of Rs.15,73,000/- in her saving bank account as under:

S. No.	Bank A/c No.	Bank Name	Beneficiary Name	Amount
1	90562010054489	Syndicate Bank	Tanu Kaushik joint holder Urmil Sharma	7,50,000
2	90562010053694	Syndicate Bank	Urmil Sharma	8,23,000
	Total			15,73,000

5. It was submitted that the total cash deposit was Rs. 15,73,000/-, out of which Rs. 14,50,000/- cash withdrawn from the account on earlier dates for the purpose of renovation of house and had to be deposited back due to the demonetization. Additionally, cash deposited amounting to Rs. 1,23,000/- was her personal savings.

6. The assessee had cash withdrawn of Rs. 14,50,000/- from the account on earlier dates as mentioned below and re-deposited the same on 10.11.2016 in their respective bank accounts.

➤ Rs. 7,00,000/- cash withdrawn from her Syndicate Bank Account No. 90562010053694 on following dates:

- Rs. 50,000/- on 27.10.2016
- Rs. 4,00,000/- on 31.10.2016
- Rs. 2,50,000/- on 08.11.2016

➤ Rs. 7,50,000/- cash withdrawn from joint holder in her daughter's account Syndicate Bank Account No. 90562010054489 on following dates:

- Rs. 50,000/- on 27.10.2016
- Rs. 3,00,000/- on 29.10.2016
- Rs. 4,00,000/- on 08.11.2016

7. The Assessing Officer alleged that the assessee has not provided any evidence to suggest that the cash which has been withdrawn from her account on various dates has actually been with her and has been re-deposited on later dates during demonetization period.

8. During the assessment proceeding, the assessee submitted the following details/documents to prove the withdrawn by herself:

- Details of cash deposits
- Copy of bank statement of Syndicate Bank Account No. 90562010054489

- Copy of bank statement of Syndicate Bank Account No. 90562010053694
- Copy of letter issued by syndicate bank mention that cash withdrawal by cheque was indeed made by the Appellant.

9. The Assessing Officer completed the assessment proceeding and passed the assessment order u/s 143(3) on 27.12.2019 with assessed income at Rs. 24,08,810/- after accepting the cash deposit of Rs. 1,23,000/- and made the addition of Rs 14,50,000/- u/s 69A of the Act being cash deposited during the demonetization.

10. Aggrieved, the assessee filed appeal before the Id. CIT(A) against the assessment order passed u/s 143(3) of the Act dated 27.12.2019.

11. The Id. CIT(A) after considering the submission of the assessee passed the Appellate order on 06.09.2023 and partly allowed the appeal and as under:

*"5.6 The AO has made the addition of Rs. 14,50,000/- deposited by the appellant during demonetization period. From the perusal of the bank account, it is revealed that Rs. 2,50,000/- and Rs. 4,00,000/- were withdrawn from bank accounts on 08.11.2016, the day on which demonetization was announced. **In my opinion**, the appellant would be well entitled to the benefit of this withdrawal to this extent and relief of Rs. 6,50,000/- is allowed.*

5.6.1 As regards the balance amount of deposit, the appellant did not bring any material on record that the cash withdrawn from bank was made for the purpose of renovation/repairs of home and the

same remain unutilized. Hence the appellant failed to discharge the onus to prove the source of the remaining deposits. Thus, addition of Rs. 8,00,000/- is confirmed.

6. *In the result, the appeal of the appellant is partly allowed."*

12. Aggrieved by the order of the Id. CIT(A), the assessee filed appeal before the Tribunal.

13. From the above, we find that the total cash deposits were to the tune of Rs.15,73,000/- out of which the amount of Rs.1,23,000/- were her personal savings and Rs.14,50,000/- were withdrawals from 27.10.2016 to 08.11.2016 as reflected in her bank statements and certificate of the bank authorities and hence, the total cash deposits can be treated as explained and no addition is warranted in this case.

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

Order Pronounced in the Open Court on 27/02/2024.

Sd/-

(Astha Chandra)
Judicial Member

Dated: 27/02/2024

Subodh Kumar, Sr. PS

Copy forwarded to:

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

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member

ASSISTANT REGISTRAR