

**आयकर अपीलीय अधिकरण “बी” न्यायपीठ चेन्नई में।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“B” BENCH, CHENNAI**

**माननीय श्री महावीर सिंह, उपाध्यक्ष एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।**  
**BEFORE HON'BLE SHRI MAHAVIR SINGH, VP AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं. ITA No.1503/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 2017-18)**

<b>Shri Venkatachalam Baskaran</b> 5/7 & 8, Nethaji Road, Patchainatchi Amman Kovil Street, Madurai-625 001.	<b>बनाम/ Vs.</b>	<b>ACIT</b> Non-Corporate Circle-1, Madurai.
<b>स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. AJFPB-2259-Q</b>		
<b>(अपीलार्थी/Appellant)</b>	<b>:</b>	<b>(प्रत्यर्थी / Respondent)</b>

<b>अपीलार्थी की ओर से/ Appellant by</b>	<b>:</b>	Shri P.M. Kathir (Advocate)- Ld.AR
<b>प्रत्यर्थी की ओर से/Respondent by</b>	<b>:</b>	Shri D. Hema Bhupal (JCIT)-Ld. DR

<b>सुनवाई की तारीख/Date of Hearing</b>	<b>:</b>	12-03-2024
<b>घोषणा की तारीख /Date of Pronouncement</b>	<b>:</b>	12-03-2024

**आदेश / ORDER**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of an order passed by learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] on 30-10-2023 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) of the Act on 11-12-2019. The sole grievance of the assessee is confirmation of addition of Rs.20 Lacs on account of cash deposit in bank accounts.

2. The Ld. AR advanced arguments by taking support of cash flow statement whereas Ld. Sr. DR opposed any interference in the impugned order. Having heard rival submissions, the appeal is disposed-off as under.

3. It transpired that the assessee made cash deposits of Rs.26.06 Lacs in various bank accounts which are tabulated in para-8 of assessment order. On the basis of assessee's submissions and after considering material on record, Ld. AO drew assessee's cash flow as under: -

Admitted rental receipts and admitted salary income	18,58,614
OB as on 01.04.2016 in the 3 bank accounts as furnished by the assessee	21,974
Total liquid cash resources available (A)	18,80,588
Fund deployment during the period from 01.04.2016 to 31.03.2017	
1. Cash remittance in bank accounts	26,06,700
2. Repayment of Canara Bank housing loan	3,94,690
3. Total amount paid as claimed for deduction u/s.80C	3,70,820
4. House tax payments as claimed	67,621
5. Annual household expenses estimated at 40,000 pm	4,80,000
TOTAL CASH OUTLAY (B)	39,19,831
Excess of expenditure over resources available (B-A)	20,39,243
Rounded off to Rs.	20,00,000

Accordingly, the Ld.AO made addition of Rs.20.00 Lacs which would be taxed u/s.115BBE of the Act.

4. During appellate proceedings, the assessee worked out cash flows by taking peak credit and revised cash outlay to Rs.22.79 Lacs as against Rs.39.19 Lacs as computed by Ld. AO and arrived at cash deficit of Rs.3.98 Lacs as tabulated on page nos. 4 & 5 of the order. However, Ld. CIT(A) confirmed impugned addition against which the assessee is in further appeal before us.

5. The Ld. AR has placed on record cash flow working by taking cash deposits and cash withdrawals for the whole year. The working read as under: -

No	Particulars	Sources available	Deployment of cash
1.	Opening cash balance	7,80,439	
2.	Admitted gross rental receipts & salary	18,58,614	
3	Opening balance in bank accounts	21,974	
4	Cash withdrawals during FY 2016-17	39,54,200	
5	Cash deposits during FY 2016-17		51,19,400
6	Repayment of Canara Bank housing loan		3,94,690
7	Life Insurance Policy Payments		1,65,846
8	House tax payments		67,621
9	Annual household expenses estimated @ Rs.40,000 per month		4,80,000
	Total	66,15,227	62,27,557
	Excess cash available with appellant		3,87,670

The Ld. AR thus submitted that there was no cash deficit. After going through the working, we are of the opinion that it would be correct to draw cash flow for whole of the year instead of taking part of cash withdrawals and deposits. Therefore, we accept the working of Ld. AR except for opening cash balance of Rs.7,80,439/- and accordingly, restrict the impugned addition to that extent. No other ground has been urged in the appeal.

6. The appeal stand partly allowed in terms of our above order.

*Order pronounced in open court on 12<sup>th</sup> March, 2024.*

**Sd/-**  
**(MAHAVIR SINGH)**  
उपाध्यक्ष / **VICE PRESIDENT**

**Sd/-**  
**(MANOJ KUMAR AGGARWAL)**  
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated : 12-03-2024  
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**आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF