

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "B": NEW DELHI
BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

**ITA No. 3615/Del/2023
(Assessment Year: 2011-12)**

Hari Singh,
Vill-Kanhai, Distt.,
Gurgaon, Gurgaon

(Appellant)

PAN:CSPPS1454R

Vs. ITO,
Income Tax,
Gurgaon
Haryana
(Respondent)

Assessee by : Shri Mahavir Singh, Adv
Revenue by: Shri Vivek Kumar Upadhyay, Sr. DR
Date of Hearing 02/04/2024
Date of pronouncement 09/04/2024

O R D E R

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No.3615/Del/2023 for AY 2011-12, arises out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. CIT(A)', in short] in Appeal No. ITBA/NFAC/S/250/2023-24/1057421069(1) dated 26.10.2023 against the order of assessment passed u/s 144 r.w.s. 147 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 10.12.2018 by the Assessing Officer, ITO, Ward-2(1), Gurugram (hereinafter referred to as 'Id. AO').

2. The only effective issue to be decided in this appeal is as to whether the CIT(A) was justified in confirming the addition of ₹ 15,08,000/- towards cash deposit made by the assessee in the in facts and circumstances of the instant case on merits. Apart from this, the assessee had challenged the validity of service of notice issued u/s 148 of the Act.

3. No arguments were advanced by the Id AR before us with regard to the challenge of service of notice u/s 148 of the Act and the validity of assumption of jurisdiction u/s 147 of the Act. Accordingly, the ground Nos. 2 and 3 raised by the assessee are hereby dismissed.

4. Ground No. 1 and 5 raised by the assessee are general in nature and does not require any specific adjudication.

5. The ground No. 4 is the only surviving ground challenged the addition of ₹15,08,000/- on merits.

6. We have heard the rival submissions and perused the material available on record. It is a fact that assessee has made cash deposit of ₹15,08,000/- during the year on the following dates as under:-

14.08.2010	Rs. 2,08,000/-
<u>12.10.2010</u>	<u>Rs. 13,00,000/-</u>
Total	Rs. 15,08,000/-

7. It is not in dispute that the assessee is an agriculturist and owns ancestral agricultural lands situated in rural areas which was used for agricultural purposes. Hence, this sum is available with the assessee for explaining the cash deposit of ₹2,08,000/- on 14.08.2010. Hence, cash deposit to the extent of ₹2,08,000/- stands explained. Further, we find that the bank statement of Oriental bank of Commerce of the assessee for the period 01.04.2010 to 31.03.2011 is placed on record. On perusal of the same, it is evident that assessee has made cash withdrawals on the following dates:-

25.09.2010	Rs.5,00,000/-
08.10.2010	Rs. 50,000/-
23.10.2010	Rs. 3,00,000/-
15.11.2010	Rs. 10,00,000/-
22.11.2010	Rs.22,00,000/-
<u>14.12.2010</u>	<u>Rs. 1,20,000/-</u>

Total amount Rs. 39,70,000/-

8. Out of this cash withdrawal, a sum of ₹13 lakhs was deposited by the assessee on 22nd December 2010. Hence, the cash deposit of ₹13 lakhs made on 22nd December, 2010 stands properly explained. It is not the case of the revenue that the cash withdrawals made by the assessee were spent by the assessee for some other purposes and the same was not lying as cash balance with the assessee. Hence, the previous withdrawals made which is during the year under consideration itself stand as a source for explaining the cash deposits made during the year itself. Hence, the entire addition made towards cash deposit in the sum of ₹15,08,000/- stand hereby deleted. Accordingly, Ground No. 4 raised by assessee is allowed.

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

Order pronounced in the open court on 09/04/2024.

-Sd/-
(KUL BHARAT)
JUDICIAL MEMBER

-Sd/-
(M BALAGANESH)
ACCOUNTANT MEMBER

Dated: 09/04/2024
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi