

आयकर अपीलीय अधिकरण, हैदराबाद पीठ में  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "SMC", HYDERABAD**

**BEFORE SHRI K. NARASIMHA CHARY, JUDICIAL MEMBER**

आ.अपी.सं / ITA No. 309/Hyd/2024  
(निर्धारण वर्ष / Assessment Year: 2017-18)

Santhosh Kumar Yamsani, Vs. Income Tax Officer,  
Warangal Ward-1,  
[PAN No. AEQPY4070G] Warangal

अपीलार्थी / Appellant प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Smt. S. Sandhya, AR  
राजस्व द्वारा/Revenue by: Shri Ashish Kumar Shukla, DR

सुनवाई की तारीख/Date of hearing: 02/05/2024  
घोषणा की तारीख/Pronouncement on: 07/05/2024

आदेश / ORDER

Aggrieved by the order dated 02/02/2024 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Santhosh Kumar Yamsani ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. Brief facts of the case are that the assessee is an individual, filed his return of income for the assessment year 2017-18 on 22/06/2017, declaring an income of Rs. 7,41,400/-. Learned Assessing Officer found cash deposits to the tune of Rs. 10.40 lakhs during the demonetization period and added the same to the income of the assessee on the ground that the source for the said deposits was not properly explained.

3. During the first appellate proceedings, the assessee pleaded that during the period under consideration, he was a salaried employee, filing return of income regularly, he was withdrawing regularly certain amounts to hand it over to his parents, which his parents accumulated and because of demonetization, he deposited the entire amount in the bank. Learned CIT(A) considered the circumstances like the assessee making credit card payments and the quantum of withdrawals, vis-à-vis the income of the assessee and allowed benefit of savings of the assessee to the tune of Rs. 2.5 lakhs and confirmed addition to the tune of Rs. 7.9 lakhs. Hence, this appeal.

4. Learned AR submitted that the taxable income of the assessee was declared at Rs. 7.4 lakhs for this year and the assessee has been declaring so quite for a long time, his personal expenses are very less and, therefore, he was leaving substantial amounts in cash with his parents and because of demonetization, the amounts that were left with his parents were to be deposited in bank, otherwise the said amount should have been lying with his parents. She submitted that the capacity of the assessee cannot be suspected and at the same time, the transaction of deposit also cannot be suspected because all the amount of Rs. 10.4 lakhs were deposited on 12/11/2016 itself.

5. Learned DR submitted that before the learned Assessing Officer, no evidence was submitted and the learned CIT(A) considered the plea of the assessee in the light of his income, spending and credit card payments and, therefore, there is nothing illegality or irregularity in the order of the learned CIT(A) to consider the savings to the extent of Rs. 2.5 lakhs and the assessee is not entitled to any more relief in this appeal.

6. I have gone through the record in the light of the submissions made on either side. The deposits in question in this appeal are Rs. 1.92 lakhs and Rs. 7.48 lakhs on 12/11/2016 in ICICI Bank account of the assessee.

Learned CIT(A) believed that there could be some truth in the plea of the assessee as to the genuineness of the source for such deposits and he fixed it at Rs. 2.5 lakhs. However, none of the deposits is exactly Rs. 2.5 lakhs and such Rs. 2.5 lakhs must have been comprised in either of these deposits. When once the possibility of availability of source for cash deposits is not disputed, the next question arises is about the quantification as to how much could it be? On this aspect, learned CIT(A) estimated it at Rs. 2.5 lakhs, which the learned AR assails as without any basis. On a perusal of the bank account, I found that the entire amount of Rs. 10.4 lakhs was deposited on one and the same day that too, within two days after demonetization notification. In these circumstances, having regard to the income of the assessee and also fact that within no time after the demonetization, the assessee deposited the entire amount in question on one and the same day, I do not find any suspicious circumstances and, therefore, believing the version of the assessee, direct the learned Assessing Officer to delete the addition so made.

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

Order pronounced in the open court on this the 7<sup>th</sup> day of May, 2024.

Sd/-

**(K. NARASIMHA CHARY)**  
**JUDICIAL MEMBER**

Hyderabad,  
Dated: 07/05/2024

TNMM

Copy forwarded to:

1. Santhosh Kumar Yamsani, 3-7-61, Gudibandal, Tailor Street, Hanamkonda, Warangal.
2. Income Tax Officer, Ward-1, Warangal.
3. Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE.

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ASSISTANT REGISTRAR  
ITAT, HYDERABAD