

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. 351/Hyd/2024  
(निर्धारण वर्ष / Assessment Year: 2017-18)

Mounika Sadam, Vs. Income Tax Officer,  
Hyderabad Ward-15(2),  
[PAN No. GLYPS9422M] Hyderabad

अपीलार्थी / Appellant प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri K.A. Sai Prasad, AR  
राजस्व द्वारा/Revenue by: Shri Suresh, DR

सुनवाई की तारीख/Date of hearing: 09/05/2024  
घोषणा की तारीख/Pronouncement on: 16/05/2024

आदेश / ORDER

Aggrieved by the order dated 16/02/2024 passed by the learned Commissioner of Income Tax (Appeals)- National Faceless Appeal Centre (NFAC), Delhi ("Ld. CIT(A)"), in the case of Mounika Sadam ("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. She filed her return of income for the assessment year 2017-18 on 20/03/2018, declaring an income of Rs. 29,170/-. During the course of assessment proceedings learned Assessing Officer found that assessee made cash deposits of about Rs. 44 lakhs during the year and Rs. 24.25 lakhs during the demonetization period. Learned Assessing Officer recorded that the assessee did not respond to the notices issued by him and, therefore, he added the entire amount of Rs. 44.24 lakhs to the income of the assessee, stating that there is no evidence explaining such deposits.

3. In appeal, the learned CIT(A) considered the plea of the assessee that she received the sums from her husband, which she kept in bank account and she was withdrawing the amounts in pursuit of purchase a property, but since the deal was not materialised and demonetization came, she deposited back such amounts into bank. On verification, learned CIT(A) observed that the deposits made by the assessee during demonetization period are only about Rs. 24.25 lakhs and, therefore, such amount only needed to be explained. He further found that in the last week of October, 2016, the assessee withdrew an amount of Rs. 20 lakhs and he believed that the said amounts could have been deposited in the bank during demonetization period. He accordingly gave relief to the extent of Rs. 20 lakhs and confirmed the addition only to the extent of Rs. 4.25 lakhs. Hence, this appeal by the assessee.

4. Learned AR submitted that on 15/02/2016, the assessee withdrew a sum of Rs. 5 lakhs, while planning to purchase a property, towards liquid cash to give advance in case of its materialisation and in that pursuit only she withdrew Rs. 20 lakhs in the last week of October, 2016, but, due to demonetization, she deposited the entire Rs. 24.25 lakhs which was available by then having spent some amounts. Out of this amount of Rs. 24.25 lakhs, learned CIT(A) accepted Rs. 20 lakhs as explained, but missed the point that the same explanation equally applies for the entire amount.

5. Per contra, learned DR based on the time gap between the withdrawal of Rs. 5 lakhs on 15/02/2016 and the deposit of the amount on demonetization to submit that it would be un-usual to keep such amount in cash for such length of time and the learned CIT(A) is justified in considering the withdrawals in the close proximity of the deposits and, therefore, no interference is needed.

6. I have gone through the record in the light of the submissions made on either side. Plea of the assessee is that she has no independent source

of income and most of her deposits were out of the funds transferred by her husband. It is an undisputed fact that out of the total deposits of about Rs. 44 lakhs, the deposits during the demonetization are only Rs. 24.25 lakhs. Her explanation towards these deposits is that in their plan to purchase property, to facilitate giving advance they kept some liquid cash, drawing Rs. 5 lakhs on 15/02/2016 and subsequently, she withdrew certain amounts in the last week of October, 2016 for purchase of property, but since demonetization happened, she was forced for deposit the entire balance amount into the bank.

7. Learned CIT(A) considered this explanation and accepted the gist of the explanation and gave relief to the tune of Rs. 20 lakhs which have proximity in time with the withdrawals. Since the learned CIT(A) did not suspect any attempt on the part of the assessee to circumvent the demonetization process, it occurs to my mind that there is nothing contrary to the contentions of the assessee in respect of her withdrawing and keeping the amounts with her. I, therefore, accept the contention of the assessee and direct the learned Assessing Officer to delete the entire addition so made.

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

Order pronounced in the open court on this the 16<sup>th</sup> day of May, 2024.

Sd/-

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

Hyderabad,  
Dated: 16/05/2024

TNMM

Copy forwarded to:

1. Mounika Sadam, C/o. Katrapati & Associates, 1-1-298/2/B/3,  
Sowbhagya Avenue Apts., 1<sup>st</sup> Floor, Ashok Nagar, Street No. 1,  
Hyderabad.
2. Income Tax Officer, Ward-15(2), Hyderabad.
3. Pr.CIT, Hyderabad.
4. DR, ITAT, Hyderabad.
5. GUARD FILE.

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ASSISTANT REGISTRAR  
ITAT, HYDERABAD