

आयकर अपीलिय अधिकरण, 'सी' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH: CHENNAI**

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.672/Chny/2024
निर्धारण वर्ष/Assessment Year: 2017-18

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| Shri Venkatasalu Sathiyannarayanan, 50 IV th Cross Co-op. Colony, Krishnagiri-635 001. | v. | The Asst. Commissioner- of Income Tax, Circle-1, Hosur. |
| [PAN: AECPS 6155 G] | | |
| (अपीलार्थी/Appellant) | | (प्रत्यर्थी/Respondent) |
| अपीलार्थी की ओर से/ Appellant by | : | Shri T.S.Lakshmi – Venkatraman, FCA |
| प्रत्यर्थी की ओर से /Respondent by | : | Shri P. Sajit Kumar, JCIT |
| सुनवाईकीतारीख/Date of Hearing | : | 21.05.2024 |
| घोषणाकीतारीख /Date of Pronouncement | : | 05.06.2024 |

आदेश / ORDER

PER ABY T. VARKEY, JM:

This is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter in short 'the Ld.CIT(A)'), Delhi, dated 04.01.2024 for the Assessment Year (hereinafter in short 'AY') 2017-18.

2. The main grievance of the assessee is against action of the Ld.CIT(A) confirming the addition of Rs.10,51,000/- as made by the AO



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u/s.69A r.w.s.115BBE of the Income Tax Act, 1961 (hereinafter in short 'the Act').

3. The brief facts are that the assessee is an individual and he is the wholesale distributor of products of M/s.Hindustan Unilever Ltd., (hereinafter in short 'M/s.HUL"). The assessee has income from house property and income from other source. The assessee filed return of income for AY 2017-18 on 30.10.2017 declaring total income of Rs.21,92,920/-. Later, the case of the assessee was selected for scrutiny and the AO taking note that assessee has deposited cash deposits in Specified Bank Notes (hereinafter in short "SBNs") was of the view that the deposit made on 16.11.2016 to the tune of Rs.1,21,500/- appears to be deposited within a reasonable time from the date of demonetization and so he accepted it to be genuine, whereas, the balance amount deposited to the tune of Rs.10,51,000/- from 17.11.2016 to 03.12.2016, he added u/s.69A of the Act, for the reason that the assessee has not offered proper reason for the delay in remittance. And an appeal, the Ld.CIT(A) confirmed the action of the AO. Aggrieved, assessee is before us.

4. We do not countenance this action of the Ld.CIT(A)/AO, we note that the assessee has brought to the notice of the authorities below that the deposits were made out of funds available from the funds in hand (from



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accountable sources) before the demonetization was declared. The assessee has shown to the authorities below that that he had cash on hand from the wholesale distribution of products of M/s.HUL well before the demonetization was declared on 08.11.2016; and thereafter, even though, he wanted to deposit the cash at the earliest, but due to heavy rush in the banks, assessee had to delay depositing the same. The assessee filed the relevant books viz., Cash Book/Bank Book and Stock, etc., before the AO and the AO could not find any discrepancy in the same vis-à-vis assessee's explanation about the source of deposit of cash in bank. Therefore, the assessee's explanation about the source of Rs.10,51,000/- ought not to have been brushed aside merely on the reason that assessee has not offered proper reason for delay in remittance. The assessee's explanation is plausible for delay in remittance, therefore, we accept the same and direct deletion of the addition of Rs.10,51,000/-.

5. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on the 05th day of June, 2024, in Chennai.

Sd/-
(अमिताभ शुक्ला)
(AMITABH SHUKLA)
लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-
(एबी टी. वर्की)
(ABY T. VARKEY)
न्यायिक सदस्य/**JUDICIAL MEMBER**



ITA No.672/Chny/2024 (AY 2017-18)
Venkatasalu Sathiyarayanan

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चेन्नई/Chennai,
दिनांक/Dated: 05th June, 2024.

TLN, Sr.PS

आदेश की प्रतिलिपि अग्रेषित /Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त (अपील)/CIT(A)
4. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
5. विभागीयप्रतिनिधि/DR
6. गार्डफाईल/GF