

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"A" BENCH : BANGALORE**

**BEFORE SHRI GEORGE GEORGE K, VICE PRESIDENT  
AND SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

ITA No.843/Bang/2024
Assessment Years : 2017-18

Vrinda Mahananda, 51, Veer Krupa, 13 <sup>th</sup> Cross, 11 A Main, 4 T Block, Jayanagar, Bengaluru-50 041.  <b>PAN – AECPR 7279 G</b>	Vs.	The Income Tax Officer, Ward - 7(2)(1), Bengaluru.
APPELLANT		RESPONDENT

Assessee by	:	Shri Ravi Shankar S.V, Advocate
Revenue by	:	Shri Ganesh R Gale, Standing Counsel for Department

Date of hearing	:	03.06.2024
Date of Pronouncement	:	16.07.2024

**ORDER**

**PER WASEEM AHMED, ACCOUNTANT MEMBER:**

This is an appeal filed by the assessee against the order passed by the Addl/JCIT (A) -3, Kolkata dated 22/03/2024 in DIN No. ITBA/APL /S/250/2023-24/1063170963(1) for the assessment year 2017-18.

2. The solitary issue raised by the assessee is that the learned CIT-A erred in confirming the order of the AO by sustaining the addition of ₹ 9,63,876.00 under section 69 of the Act treating the same as unexplained cash deposits in the bank.

3. In the present case, the issue relates to the deposits made by the assessee in the bank account for the year under consideration amounting to ₹ 9,63,876.00, the source of which was not explained. Therefore, the AO treated the same as unexplained cash deposits under section 69 of the Act and added to the total income of the assessee. On appeal, the Id. CIT-upheld the finding of the AO on similar reasoning.

4. Being aggrieved by the order of the learned CIT-A, the assessee is in appeal before us.

5. The learned AR before us submitted that the Id. CIT-A has issued only two notices for hearing the case dated 10<sup>th</sup> October 2023 and 11<sup>th</sup> March 2024 whereas appeal was instituted dated 22 January 2020. It was contended by the Id. AR that the necessary evidence was not furnished during the appellate proceedings to justify the source of cash as he was busy in time barring assessments. The learned AR further requested to grant one more opportunity to file the supporting documents to justify the source of cash deposit of ₹ 9,63,876. As per the Id. AR most of the deposits were out of the cash withdrawal and therefore the same should not be treated as income.

6. On the other hand, the Id. DR opposed to set aside the issue to the file of the AO for fresh adjudication as per the provisions of law.

7. We have heard the rival contentions and perused the materials available on record. In the present case, the addition has been made by the AO in the absence of any plausible explanation by the assessee about the

nature and the source of cash deposits in the bank account amounting to ₹ 9,63,876.00. However, on perusal of the assessment order, we note that the AO in principle agreed that the cash deposits were out of the cash withdrawal. The relevant finding of the AO is extracted as under:

*“The assessee has 8 different bank accounts and she has been withdrawing and depositing from one account to another. No explanation has been given for this peculiar behaviour.”*

8. From the above, it is transpired that the manner in which the assessee has been dealing so far with the cash withdrawal and cash deposit was not appropriate as per the observation of the AO. Indeed, we also hold that the behaviour/pattern of the assessee is really peculiar in the given fact and circumstances, but the question arises whether the addition can be made merely on the reasoning given by the authorities below. In our considered opinion, the inappropriate behaviour of the assessee can trigger the revenue for deeper investigation so as to find out the unexplained cash deposit made by the assessee, but the same cannot be the basis of the addition. The income has to be determined as per the provisions of law. There can be multiple factors or reasons for the assessee to withdraw the money from one bank account and to deposit the same in another bank account but the same is best known to the assessee and it is the assessee, who has to explain. Nonetheless, the assessee has not furnished the corroborative materials to justify the source of cash deposit in the bank and the revenue has also not brought anything on record suggesting that the cash withdrawal was not used for the purpose of the re-deposits but for any other purpose such as investment or personal expenses. Therefore, in the interest of justice and fair play, we are inclined to set aside the issue to the file of the AO for fresh adjudication as per the

provisions of law. Hence the ground of appeal of the assessee is hereby allowed for the statistical purposes.

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

Order pronounced in court on 16<sup>th</sup> day of July, 2024

Sd/-

**(GEORGE GEORGE K)**  
Vice President

Sd/-

**(WASEEM AHMED)**  
Accountant Member

Bangalore,  
Dated, 16<sup>th</sup> July, 2024

vms

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore