

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'H',  
World Trade Centre, Nauroji Nagar,  
NEW DELHI**

**Before Dr. B. R. R. Kumar, Accountant Member,  
Sh. Sudhir Kumar, Judicial Member**

**ITA No. 912/Del/2024 : Asstt. Year: 2017-18**

JCIT (OSD), Central Circle-20, New Delhi-110055	Vs	The Peerless Consultancy Services Pvt. Ltd., 48, S.N. Roy Road, Sahapur, S.O. Kolkata, West Bengal-700038
(APPELLANT)		(RESPONDENT)
<b>PAN No. AACCT0544M</b>		

**Assessee by : Sh. R. C. Rai, CA &  
Ms. Nagma, Adv.**

**Revenue by : Sh. Amit Katoch, Sr. DR**

**Date of Hearing: 22.07.2024**

**Date of Pronouncement: 24.07.2024**

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by the Revenue against the order of Id. CIT(A)-27, New Delhi dated 18.12.2023.

2. Following grounds have been raised by the Revenue:

*"1. The Ld. CIT(A) has erred on facts and in law, in deleting the addition of Rs.1,29,00,000/- made u/s 68 of the Income Tax Act, 1961, on account of cash deposit, by ignoring the facts and circumstances of the case.*

*2. The Ld. CIT(A) has erred on facts and in law, in deleting the addition of Ra 1,29,00,000/- made u/s 68 of the Income Tax Act, 1961, by ignoring the fact that out of total cash deposit of Rs. 1,29,00,000/- in the AY 2017-18,*

*Rs.1,10,00,000/- was deposited in the account post demonetization in a single instance on 17.11.2016.*

*3. The 14. CIT(A) has erred on facts and in law, in deleting the addition of Rs.1,29,00,000/- made u/s 68 of the Income Tax Act, 1961, by ignoring the fact that despite providing multiple opportunities during the assessment proceedings u/s 147 the assessee has completely failed to show/substantiate the source of such high value cash deposit.*

*4. The L. CIT(A) has erred on facts and in law, in deleting the addition of Rs. 1,29,00,000/- made u/s 68 of the Income Tax Act, 1961, by ignoring the fact there was sudden influx of cash in the bank account of the assessee during the financial year, which is highly incongruous, inconsistent with other credit/debit transaction and its ITR, wherein he has shown loss amounting to Rs. 64,09,414/- and the source of cash deposit remains unexplained despite multiple opportunities accorded to the assessee."*

3. The assessee raised objection that the assessment is reopened without application of mind solely based on some information received from the A.D.I.T. (Inv.) Kolkata without verifying the record of the assessee, hence purely based on borrowed satisfaction. We find that the assessment has been reopened based on the information obtained from the Enforcement Directorate and since the information amounts to receipt of new information which was hitherto not available with the Assessing Officer, we decline to interfere with the order of the Assessing Officer on this issue.

4. The Assessing Officer made addition of Rs.1,29,00,000/- made u/s 68 of the Income Tax Act, 1961. Taking the facts pertinent to the adjudication of this issue and after hearing of the arguments of both the parties and after perusal of the record before us, we find that,

- The Opening Cash Balance as on 01.04.2016 i.e. beginning of the A.Y was duly accepted after the completion of assessment of all the 2 years u/s 153A/143(3) of Income Tax Act, 1961. Hence, this is admitted position that the assessee was holding cash balance at the beginning of the year as on 01.04.2016 amounting to Rs.1,46,43,757/- out of which the cash amounting to Rs.1,33,00,000/- was deposited in the bank
- An assessment u/s 143(3) for the A.Y. 2017-18 was completed vide order dated 31.12.2018 in the case of the assessee in pursuance of search & seizure operation conducted on 28.06.2016 and the assessment was completed at assessed income of Rs. 5,24,82,712/-.
- During the assessment completed, the entire books of accounts have been examined and the cash deposit or sources of cash has not been disputed by the Revenue.
- The Id. CIT(A) examined the original return for the Assessment Year 2016-17 filed on 27.10.2017 and the cash in hand declared as per the return was Rs.1,46,43,757/-. The Id. CIT(A) has reproduced the copy of the return in his order.
- During the assessment proceedings undertaken originally u/s 143(3), the Assessing Officer especially enquired about the cash deposit of Rs.1,10,00,000/- in the bank account and has accepted the cash deposit as undisputed after receipt of the reply from the assessee and no addition has been made on account of cash deposit in the bank account.
- After examination of the entire facts, the Id. CIT(A) has given a categorical finding that the AO has wrongly

interpreted the transaction without looking into the nature of transaction and held that the assessee has deposited the cash out of its cash in hand as per the books of accounts.

5. Hence, keeping in view the entire facts narrated above, we hold that no addition on account of the cash deposits is called for. Accordingly, we decline to interfere with the order of the Id. CIT(A).

6. In the result, the appeal of the Revenue is dismissed.  
Order Pronounced in the Open Court on 24/07/2024.

**Sd/-**

**(Sudhir Kumar)  
Judicial Member**

**Sd/-**

**(Dr. B. R. R. Kumar)  
Accountant Member**

**Dated: 24/07/2024**

\*Subodh Kumar, Sr. PS\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

**ASSISTANT REGISTRAR**