

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI "SMC" BENCH: NEW DELHI**

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

**ITA No.481/Del/2021
[Assessment Year : 2017-18]**

Puneet Utreja, B-1/6, Rana Pratap Bagh, New Delhi-110007. PAN-ABEPU1160G	vs	ITO, Ward -1(5), Gurugram.
APPELLANT		RESPONDENT
Appellant by	Ms. Sherry Goel, Adv. & Shri Raman Kumar Goel, AR	
Respondent by	Shri Om Parkash, Sr.DR	
Date of Hearing	29.07.2024	
Date of Pronouncement	02.08.2024	

ORDER

PER KUL BHARAT, JM :

The present appeal filed by the assessee is directed against the order passed by Ld.CIT(A), National Faceless Appeal Centre ("NFAC"), Delhi dated 05.03.2021 for the assessment year 2017-18.

2. The assessee has raised following grounds of appeal:-

1. *"The Ld. CIT(A) and Ld. AO has grossly erred in ignoring that cash of Rs. 16,20,000/- deposited during demonetization was tracing back to cash withdrawals of Rs. 16,20,000/- made from the same bank account during past months.*
2. *The Ld. CIT(A) and Ld. AO has grossly erred in segregating part of the cash deposit of Rs. 8,20,000/- as explained and part of Rs. 8,00,000/- as unexplained whereas it is a trite law that two view cannot be drawn in respect of money found from single source.*
3. *The Ld. CIT(A) and Ld. AO has grossly erred in not placing any material to believe that source of cash deposit was unexplained and made addition based on surmises and conjectures.*

4. *The Ld. CIT(A) and Ld. AO has grossly erred in invoking provision of Section 69A r.w.s. 115BBE of the Act whereas facts of the case reveals that no addition is warranted u/s 69A r.w.s. 115BBE.*
5. *The above grounds are without prejudice to each other.*
6. *The appellant craves leave to add, alter, modify and withdraw any grounds of appeal before or during the appellate proceedings.”*

3. Facts giving rise to the present appeal are that the case of the assessee was selected for scrutiny assessment for the reason cash deposited in the bank account during demonetization period. The Assessing Officer (“AO”) therefore, issued a notice u/s 143(2) of the Income Tax Act, 1961 (“the Act”) to the assessee. The assessee is an individual and disclosed income from salary and income from other sources during the year under consideration. The AO noted that during the demonetization period, the assessee had deposited a sum of INR 16,20,000/- in his bank Account. Accordingly, the assessee was called upon to explain the cash deposited by the assessee. The explanation given by the assessee was not found acceptable by the Assessing Authority. Therefore, the Assessing Authority made addition of the entire cash deposited in the bank account and assessed the income of the assessee at INR 19,74,320/-.

4. Aggrieved against this, the assessee preferred appeal before Ld.CIT(A), who after considering the submissions, partly allowed the appeal of the assessee.

5. Aggrieved against the order of Ld.CIT(A), the assessee is in appeal before this Tribunal.

6. Apropos to the grounds of appeal, Ld. Counsel for the assessee vehemently argued that the authorities below failed to appreciate the facts in right perspective. The assessee offered his explanation about the cash deposited in bank account. It was pointed out that the cash was withdrawn and deposited in bank account. Ld. Counsel for the assessee drew my attention to the bank account statement filed in the Paper Book. It was further stated that the amount was out of the maturity of term deposits. Ld. Counsel for the assessee further submitted that the lower authorities have not doubted the cash deposits in bank account. On the contrary, the additions have been made purely on the basis of suspicion, which cannot be sustained. Ld. Counsel for the assessee placed reliance on the decision of the Division Bench of the Tribunal in the case of **Smt. Perminder Kaur Matharoo vs ITO in ITA No.840/Del/2021 [Assessment Year 2017-18]** vide order dated **15.11.2022**.

7. On the other hand, Ld. Sr. DR for the Revenue opposed these submissions and supported the orders of the authorities below. He submitted that the reason for withdrawal of amount is contradictory.

8. I have heard Ld. Authorized Representatives of the parties and perused the material available on record and gone through the orders of the authorities below. I find that the lower authorities have not rebutted the explanation made by the assessee that the amount related to the maturity of term deposit and redemption of the same. It is seen from the bank statement of the assessee that there are cash deposits and also cash withdrawals. The cash withdrawals are sufficient to prove that the cash was in the hands of the assessee.

Therefore, without bringing any evidence, suggesting that the cash so withdrawn by the assessee was already utilized in another object. I therefore, direct the AO to delete the impugned addition. Grounds raised by the assessee are accordingly, allowed.

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

Order pronounced in the open Court on 02nd August, 2024.

Sd/-

**(KUL BHARAT)
JUDICIAL MEMBER**

** Amit Kumar **

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI