

आयकर अपीलिय अधिकरण, 'ए' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH, CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष एवं श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष
**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE PRESIDENT AND
SHRI S. R. RAGHUNATHA, HON'BLE ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No. 472/CHNY/2024

निर्धारण वर्ष/Assessment Year: 2017-18

Raja Arun,
Old No. 13, New No. 25,
Bharathiyar Salai,
Vellore – 632 001.

The Income Tax Officer,
Vs. International Ward -1(1),
Chennai.

[PAN: AMVPA-2982-J]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Shri. S. Sridhar, Advocate

प्रत्यर्थी की ओर से/Respondent by : Smt. M.S. Deeptha, JCIT

सुनवाई की तारीख/Date of Hearing : 08.08.2024

घोषणा की तारीख/Date of Pronouncement : 14.08.2024

आदेश/ORDER

PER S. R. RAGHUNATHA, ACCOUNTANT MEMBER:

This appeal by the assessee is arising out of the order of the Commissioner of Income Tax (Appeals), Chennai-16, dated 18.01.2024 for the assessment year 2017-18.

2. The sole issue raised by the assessee is that the Id.CIT(A) erred in partly sustaining the addition to the tune of Rs.9,70,000/- being cash deposits made during the assessment

year under consideration as unexplained money in terms of section 69A of the Act without assigning proper reasons and justification.

3. Brief facts of the case are that, the assessee is an individual, non-resident of India and did not file return of income for the A Y 2017-18. From the information available on record it was found that the assessee has made cash deposit of Rs.19,70,000/- during the demonetisation period into his bank account. Notice U/s.142(1) of the Act was issued to the assessee calling for the return, but the assessee remained silent for all the notices. Hence, the assessment proceeding was completed U/s.144 dated 27/12/2019 and entire cash deposits amounting to Rs.19,70,000/- was treated as unexplained money U/s.69A of the Act. Aggrieved by the order of the AO, the assessee preferred an appeal before the Ld.CIT(A).

4. Before the Ld.CIT(A), the assessee filed the statement of facts along with detailed written submissions and bank account of statements along with the cash flow statement showing the details of various withdrawals from his bank accounts and subsequent deposits made. Considering the facts and written

submissions of the assessee the Ld.CIT(A) partly allowed the appeal holding as under:

"4.6 As seen from the above, there were cash deposits and withdrawals from the appellant's parents A/c, which exhibit a pattern mostly for self use. It cannot be said that the cash deposited and withdrawn consequently is saved in the form of cash for purchase of land, There is no evidence for the same. However, the personal loan taken by the appellant in Abu Dhabi which was transferred to the appellants mother Ale to the extent of Rs.10,00,000/- is an explainable source. It is also seen that an amount of Rs.10,00,000/- was used by the appellant to purchase a property consequent to demonetization by banking channels.

4.7 Thus, an amount of Rs.9,70,000/- clearly calls for application of section 69 as the said amount belongs to the appellant as it was deposited in his account, does not find its place in any accounted books, and the source of the same is unexplained. Hence, Rs.9,70,000/- is sustained as unexplained money u/s 69A. Rs.10,00,000/- which has travelled from the appellants bank accounts obtained in Abu Dhabi as loan and utilized for purchase of land is treated as explained and the Assessing Officer is directed to delete the said addition u/s 69A, Thus, the conjoint Grounds of Appeal No.6. 7, 8, 9, 10, 11, 12, 13, 14 and 16 are Partly Allowed."

Aggrieved by the order of the Id.CIT(A), the assessee is in appeal before us.

5. The Ld.AR further submitted that, during the assessment proceedings and appellate proceedings the complete details of source for cash deposits made during the demonetization period have been explained. Further, the Ld.AR drew our attention to the statement showing the explanation for cash withdrawn from the bank of assessee's father Mr.Arun and Mother Mrs.Pushpa

and subsequent deposits made to the bank account of the Assessee.

"4.5 The funds flow statement furnished by the appellant is as under:

<i>Dates of transactions</i>	<i>Cash withdrawal (A)</i>	<i>Cash deposited (B)</i>	<i>Cash balance on hand (A-B)</i>	<i>Account number of puspa and arun parents of Raja where the activity happened</i>
25.01.2016	100000		100000	VCCB 68461
25.01.2016	300000		400000	VCCB 68461
25.01.2016	200000		600000	IOB 23616
27.01.2016		100000	500000	IOB 23616
30.05.2016	100000		600000	VCCB 68461
30.05.2016	50000		650000	VCCB 68461
30.05.2016	1000000		1650000	IOB 23616
08.08.2016	100000		1750000	IOB 23616
27.09.2016		290000	1460000	VCCB 68620
27.09.2016		500000	960000	VCCB 68620
02.11.2016	200000		1160000	VCCB 62620
02.11.2016	500000		1660000	VCCB 68620
08.11.2016		100000	1560000	ICICI
10.11.2016		1870000	-310000	ICICI

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In light of the above statement, the Ld.AR prayed for allowing the appeal of the assessee by setting aside the impugned order of the Ld.CIT(A).

6. The Ld.DR relied on the orders of the lower authorities and prayed for dismissing the appeal of the assessee.

7. We have heard the rival contentions and gone through the orders of lower authorities and cash flow statement filed by

the assessee. It is seen that the assessee's parents (Mr.Arun and Mrs.Pushpa) have withdrawn cash from their respective bank account regularly from 25/01/2016 to 02/11/2016 to the tune of Rs.25,50,000/-. According to the Ld.AR the same has been deposited to the bank account of the assessee on 08/11/2016 of Rs.1,00,000/- and on 10/11/2016 of Rs.18,70,000/- and stated that the source for entire cash deposit has been proved by the assessee. However, it is noticed that, the assessee's parents have made certain cash deposits also during the same period to their own bank account which amounts to Rs.8,90,000/- from the amounts withdrawn from their bank accounts. Thus, the cash on hand on the date of demonetization was Rs.16,60,000/- (Rs.25,50,000 (-) Rs.8,90,000). We note that the cash deposited in assessee's bank account on 8/11/2016 and 10/11/2016 was Rs.19,70,000/- and hence the assessee had deposited an excess amount of Rs.3,10,000/- into his bank account over and above the cash withdrawn. Therefore, in the present facts and circumstances of the case, we are of the view that, the assessee has failed to explain the source to the extent of Rs.3,10,000/- and hence confirm the addition of the same as unexplained

money U/s.69A of Act, instead of impugned addition of Rs.9,70,000/- made by the Ld.CIT(A).

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

Order pronounced in the court on 14th August, 2024 at Chennai.

Sd/-
(महावीर सिंह)
(MAHAVIR SINGH)
उपाध्यक्ष /**Vice President**

Sd/-
(एस. आर. रघुनाथा)
(S. R. RAGHUNATHA)
लेखा सदस्य /**Accountant Member**

चेन्नई/Chennai,

दिनांक/Dated, the 14th August, 2024

JPV

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT - Chennai
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF