

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

श्री यस यस विश्वनेत्र रवि, न्यायिक सदस्य एवं श्री जगदीश, लेखक सदस्य के समक्ष
BEFORE SHRI SS VISWANETHRA RAVI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.93/Chny/2024
निर्धारण वर्ष /Assessment Year: 2017-18

Nallasivam Jagadeeshkumar,
54, Thirumangalam Main Street,
Avalpodunduri,
Erode – 638 115.
[PAN: AXFPJ 6103P]
(अपीलार्थी/**Appellant**)

Vs. The Income Tax Officer,
Ward-2(1),
Erode.

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: Shri N.C.Ravi Krishnan, Advocate
: Ms. R. Anita, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 13.08.2024

घोषणा की तारीख /Date of Pronouncement

: 21.08.2024

आदेश / **ORDER**

PER JAGADISH, A.M:

This appeal is directed against the order of the Commissioner of Income Tax (Appeals), [NFAC] (hereinafter "CIT(A)") dated 22.12.2023 confirming the addition made by the Assessing Officer (AO) of Rs.5,63,450 u/s. 69A of the Income Tax Act, 1961, on account of unexplained cash deposits made by the assessee during the period of demonetization.

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2. Briefly, the facts of the case are as follows:

- The assessee made a cash deposit of Rs. 10,43,350 in his bank accounts during the demonetization period.
- The AO, after considering the explanation provided by the assessee, allowed a cash deposit of Rs. 4,79,900 as explained. However, the remaining amount of Rs. 5,63,450 was treated as unexplained and added to the total income of the assessee under Section 69A.
- The assessee contended that the cash deposits were from the sale proceeds of his business, which had a total turnover of Rs. 27,96,596. The AO did not accept this explanation, arguing that with a profit margin of only 8%, the assessee would not have sufficient surplus to deposit such a large amount in the bank.
- The CIT(A) upheld the AO's addition.

3. Before us, the assessee has reiterated the claim that the cash deposits were from the sale proceeds of his business. To substantiate this, the assessee has submitted a detailed breakdown of monthly turnover and bank statements. The bank statements demonstrate that the cash deposits were used to purchase stock, specifically cement, which was integral to the business operations.

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4. We have carefully considered the rival submissions and reviewed the evidence provided. The monthly turnover and bank statements submitted by the assessee convincingly illustrate that the cash deposits were indeed from the sale proceeds and were utilized for the purchase of business stock.

5. In light of the substantial evidence presented by the assessee, we find that the cash deposits were properly explained. The addition of Rs. 5,63,450 made by the AO under Section 69A is, therefore, not warranted. Consequently, the appeal is allowed, and the addition of Rs. 5,63,450 made under Section 69A is hereby deleted.

6. In the result, the appeal filed by the assessee is allowed.

Order pronounced on 21st August, 2024.

Sd/-
(यस यस विश्वनेत्र रवि)
(SS Viswanethra Ravi)
न्यायिक सदस्य / Judicial Member

Sd/-
(जगदीश)
(Jagadish)
लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 21st August, 2024.

EDN/-

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आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

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