

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

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री जगदीश, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.864/Chny/2024
निर्धारणवर्ष/Assessment Year: 2017-18

Shri Pandian, C-78, 10 th Cross, West Extension, Thillai Nagar, Trichy-620 018.	v.	The ACIT, Circle-3(1), Trichy.
[PAN: AAGPP 6082 M]		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Shri Y. Sridhar, FCA
प्रत्यर्थी की ओर से /Respondent by	:	Shri ARV Sreenivasan, Addl.CIT
सुनवाईकीतारीख/Date of Hearing	:	19.07.2024
घोषणाकीतारीख /Date of Pronouncement	:	04.09.2024

आदेश / ORDER

PER ABY T. VARKEY, JM:

This is an appeal preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter in short "the Ld.CIT(A)"), Delhi, dated 31.01.2024 for the Assessment Year (hereinafter in short "AY") 2017-18.

2. The brief facts of the case are that the assessee had filed his return of income for AY 2017-18 on 07.07.2017 returning total income of Rs.20,12,330/- which was selected for limited scrutiny under CASS. Since



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the assessee had deposited Specified Bank Notes (hereinafter in short "SBNs") during the demonetization period to the tune of Rs.37,78,500/-, the AO asked the assessee to explain the *nature & source* of the deposits of SBNs in various bank accounts and Post Office; and the assessee submitted that he is carrying on the business of buying and selling the cars. The AO also noted that the assessee had filed ITR-I for AY 2017-18, in which, assessee has shown '*income from salary*' and '*income from other sources*' but not from business income. The AO noted that TDS has been deducted for '*income from other sources*' (interest from the bank fixed deposits). And since, the assessee couldn't prove that the deposits were out of the business as claimed by the assessee, the AO treated it as the unaccounted income of the assessee and brought to tax u/s.69 of the Act to the tune of Rs.19,80,000/-; and even though, the assessee claimed that Rs.7,23,500/- was from his personal savings, for lack of evidence, the AO added Rs.7,23,500/- u/s.69 of the Act. Thus, the AO added Rs.19,80,000/- **plus** Rs.7,23,500/- i.e. Rs.27,03,500/- and assessed the income at Rs.47,15,830/- in place of the returned income of Rs.20,12,330/-.

3. Aggrieved, the assessee preferred an appeal before the Ld.CIT(A)/NFAC who was pleased to confirm the action of the AO and dismissed the appeal of the assessee.



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4. Aggrieved, the assessee is in appeal before this Tribunal.

5. We have heard both the parties and perused the material available on record. We note that the assessee is a senior citizen, aged about 78 years and is a retired employee of TNEB and has filed his return of income on 07.07.2017 for AY 2017-18 returning total income of Rs.20,12,330/-. The assessee's main income is from "*other source*" i.e. interest from FDs and salary income; and it is noted that the assessee has been filing return for earlier AY 2016-17 of Rs.20.28 lakhs, for AY 2017-18 of Rs.20.12 lakhs, for AY 2018-19 of Rs.25.29 lakhs, for AY 2019-20 of Rs.21.85 lakhs, for AY 2020-21 of Rs.24.36 lakhs & for AY 2022-23 of Rs.27.06 lakhs. Thus, it is noted that the assessee is filing return of income of more than Rs.20 Lakhs for the aforesaid assessment years and the Ld.AR of the assessee has restricted his pleading only in respect of the cash deposit to the tune of Rs.7,23,500/- which according to the assessee was his personal savings and kept as reserve for any medical emergencies. We note that the assessee is a senior citizen and had been regularly returning income of more than Rs.20 lakhs for the aforesaid years as noted supra and the main income of the assessee is interest income from FDs. Therefore, out of the additions made by the AO u/s.69 of the Act to the tune of Rs.27,03,500/-, we accept the explanation of the assessee regarding cash deposits of Rs.7,23,500/- as from his personal savings and therefore, we delete the addition of Rs.7,23,500/-; and since, the Ld.AR



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Shri Pandian

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of the assessee didn't contest the addition of balance deposit of cash to the tune of Rs.19,80,000/- u/s.69 of the Act and assessee failed to file any evidences to prove that the cash was out of business of selling secondhand cars, the action of the Ld.CIT(A) confirming the action of the AO to that extent of Rs.19,80,000/- cannot be faulted and therefore, is confirmed. Thus, the assessee gets a relief of Rs.7,23,500/- and the balance addition of Rs.19,80,000/- is confirmed.

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

Order pronounced on the 04th day of September, 2024, in Chennai.

Sd/-
(जगदीश)
(JAGADISH)

लेखा सदस्य/ACCOUNTANT MEMBER

चेन्नई/Chennai,

दिनांक/Dated: 04th September, 2024.

TLN, Sr.PS

Sd/-
(एबी टी. वर्की)
(ABY T. VARKEY)

न्यायिक सदस्य/JUDICIAL MEMBER

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF