

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

महनीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य एवं  
महनीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष।  
**BEFORE HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**  
**AND HON'BLE SHRI MANU KUMAR GIRI, JM**

**आयकर अपील सं. ITA No.1605/Chny/2024**  
**(निर्धारणवर्ष / Assessment Year: 2017-18)**

<b>Shri Balu Vignesh</b> #33, Appavu Nagar, Dharmapuri-636 701.	<b>बनम/</b> Vs.	<b>ACIT</b> Circle-1(1) Hosur.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AISPV-7755-P</b>		
(पीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थी की ओरसे/ <b>Appellant by</b>	:	Shri D. Anand (Advocate) - Ld.AR
प्रत्यर्थी की ओरसे/ <b>Respondent by</b>	:	Shri M. Karthikeyan (Addl.CIT) - Ld. DR

सुनवाई की तारीख/ <b>Date of Hearing</b>	:	17-10-2024
घोषणा की तारीख / <b>Date of Pronouncement</b>	:	05-11-2024

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order of learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 28-03-2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) of the Act on 30-12-2019.
2. In the assessment order, Ld. AO has made addition of Rs.53.23 Lacs as unexplained money u/s. 69A r.w.s 115BBE which represents cash deposits by the assessee during demonetization period from 09-11-

2016 to 30-12-2016. The Ld. CIT(A) confirmed the impugned addition by observing that the assessee failed to furnish supporting documents during appellate proceedings. Aggrieved, the assessee is in further appeal before us.

3. The Ld. AR has submitted that the assessee has huge turnover and it had sufficient cash balance as on 08-11-2016 to make the impugned deposits. The copy of cash book for the month of November, 2016 has also been placed on record to substantiate the same. The Ld. Sr. DR supported the orders of lower authorities. Having heard rival submissions and upon perusal of case records, our adjudication would be as under.

4. From assessment order, it is clear that the assessee is engaged in textile business under proprietary concern namely Shri Krishna Silks. The assessee has shown turnover of Rs.25.77 Crores and its books of accounts are duly audited u/s 44AB. The assessee deposited cash of Rs.133.73 Lacs in 3 bank accounts during demonetization period which are tabulated in para 3 of the assessment order. As per cash book, cash balance as on 08-11-2016 was Rs.169.57 Lacs which was stated to be the source of these deposits. The Ld. AO accepted the source of cash of Rs.80.50 Lacs which was deposited up-to 15-11-2016 but rejected the source of cash deposits for Rs.53.23 Lacs which was deposited from 16-11-2016 onwards on the ground that the assessee should have deposited entire amount within a reasonable period of time. Therefore, the amount of Rs.53.23 Lacs was added u/s 69A r.w.s.115BBE. The Ld. CIT(A) upheld the same against which the assessee is in further appeal before us.

5. The undisputed fact that emerges is that the assessee is holding cash balance of Rs.133.73 Lacs as on 08-11-2016 which is duly evidenced by its cash book. The books of the assessee have duly been audited u/s 44AB and no defect has been observed in the same. The assessee is engaged in trading activity and achieved turnover of Rs.24.77 Crores. The Ld. AO, in an arbitrary manner, accepted part of the source and rejected the other part whereas all the deposits has same source. The only reasoning is that the assessee should have deposited entire cash within a reasonable period of time which is not mandated by any law. Therefore, we delete the impugned addition and direct Ld. AO to re-compute the income of the assessee.

6. The appeal stand allowed.

*Order pronounced on 5<sup>th</sup> November, 2024*

<b>Sd/-</b> <b>(MANU KUMAR GIRI)</b> न्यायिक सदस्य / <b>JUDICIAL MEMBER</b>	<b>Sd/-</b> <b>(MANOJ KUMAR AGGARWAL)</b> लेखा सदस्य / <b>ACCOUNTANT MEMBER</b>
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चेन्नई Chennai; दिनांक Dated : 05-11-2024  
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**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

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