

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

श्री महावीर सिंह, उपाध्यक्ष एवं श्री जगदीश, लेखासदस्य के समक्ष  
BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND  
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.2019/Chny/2024  
निर्धारण वर्ष /Assessment Year: 2017-18

Thangavel Kandaswamy,  
24B, Thotasalaimarku Perur,  
Coimbatore – 641 010.  
[PAN: DVJPK 8674M]

**Vs.** The Income Tax Officer,  
Non Corporate Ward-4(1),  
Coimbatore.

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

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

: Shri S. Sridhar, Advocate (Erode)  
: Ms. R. Anita, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 21.10.2024

घोषणा की तारीख /Date of Pronouncement

: 21.10.2024

**आदेश / ORDER**

**PER JAGADISH, A.M :**

Aforesaid appeal filed by the assessee is against the order of Learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [hereinafter "CIT(A)"] date 05.06.2024 in the matter of assessment framed by Ld. Assessing Officer [AO] u/s.144 of the Income Tax Act, 1961 (hereinafter "the Act") on 17.12.2019.

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2. The only effective ground of appeal in this appeal of assessee is against addition of cash deposit during demonetization period of Rs. 16,40,500/- and estimation of income @ 30% in the bank deposit.

3. The assessee is individual and has total credit of Rs. 1,21,31,504 in his bank account including cash deposit of Rs. 16,40,500/- during demonization period but has not filed return of income. The A.O therefore issued notice u/s. 142(1) of the Act to file the return. However, the assessee did not file return of income. The A.O therefore passed order u/s. 144 of the Act making addition of cash deposit during demonization period of Rs.16,40,500/- and estimating income @ 30% of the total credit minus cash deposit in the bank account. The assessee during assessment proceedings had contended that he was employed in Somus Properties and was paid a salary of Rs. 15,000/- per month and the deposit in his bank account was of his employer Shri B. Somasundaram, regarding land deals of his business as land developer and promoter. The assessee has submitted that only deposit of Rs. 4,38,504/- is relating to him from his security service business and balance is relating to his employer, which is evident that there has been withdrawn immediately after deposit. The Ld. CIT(A) has confirmed the addition as the assessee

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has not furnished any confirmation or acceptance from Shri B. Somasundaram that money received and deposited in this bank account was relating to him.

4. The Ld. Authorized Representative (A.R) of the assessee has submitted that deposit in the bank account does not belong to him as all deposits are followed by withdrawn and all credit are money received on behalf of Shri B. Somasundaram . The Ld AR submitted that money credited has been immediately withdrawn and paid to his employer.

5. The Ld. Departmental Representative (DR), on the other hand, has relied on the orders of lower authorities.

6. We have heard the rival submissions, and perused the materials available on record. The A.O has estimated the income @ 30% of the total credit in the bank account minus cash deposit of Rs. 16,40,500/- during demonetization period. The assessee has explained that the credit in the bank account is followed by the withdrawal which clearly shows that money does not belong to him. The AO has estimated the income @30% of credit in the bank account. We are of the opinion

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that 20% of credit in the bank account will be correct estimate of the income considering the status and nature of work of the assessee. The above estimate will cover the deposit of cash during demonetization period also. In view of the above, we direct the A.O to compute the income @ 20% of the total credit of Rs.1,21,31,504/-. Thus, the appeal filed by the assessee is partly allowed.

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

*Order pronounced in the open Court on 21<sup>st</sup> October, 2024.*

**Sd/-**  
**(महवीर सिंह)**  
**(Mahavir Singh)**  
**उपध्यक्ष / Vice President**

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

चेन्नई/Chennai, दिनांक/Dated: 21<sup>st</sup> October, 2024.

EDN/-

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