

आयकर अपीलीय अधिकरण 'बी' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI

मजनीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य एवं
मजनीय 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.2494/Chny/2024
(निर्धारणवर्ष / Assessment Year: 2017-18)

Shri Ambasankar No.1 Deccan Nest, Veeramamunivar Street, CBI Colony, Perungudi, Chennai-600 096.	बनम/ Vs.	ITO Corporate Ward-5(4) Chennai.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AEYPA-1010-Q		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थी की ओरसे/ Appellant by	:	Shri M. Karunakaran (Advocate)- Ld.AR
प्रत्यर्थी की ओरसे/ Respondent by	:	Shri S. Easwar (JCIT)-Ld. Sr. DR

सुनवाई की तारीख/ Date of Hearing	:	16-12-2024
घोषणा की तारीख / Date of Pronouncement	:	17-12-2024

आदेश / ORDER

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 26-07-2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.143(3) of the Act on 06-12-2019. The grievance of the assessee is two-fold – (i) Addition of Rs.13.70 Lacs for cash deposit during demonetization period ; (ii) Addition of Rs.17 Lacs

u/s 68. Having heard rival submissions and upon perusal of case records, our adjudication would be as under.

2. Proceedings before lower authorities

2.1 The assessee deposited cash of Rs.19.09 Lacs in its bank accounts. These deposits as well as other credits were utilized to purchase immovable property. In support of sources of cash deposit, the assessee filed cash book, bank book and bank statements. In the cash book, the assessee reflected opening cash balance of Rs.25.43 Lacs. Since there was no closing cash balance as per return filed for AY 2016-17, this claim was rejected. It was observed by Ld. AO that the payments made by way of NEFT transfers were shown as withdrawal in the cash book. The same has been tabulated in the assessment order, Further, the sources of certain payments aggregating to Rs.35.70 Lacs as made for investment in immovable property was not known. The same has been detailed on Page No.4 of the order. Similarly, the source of cheque deposits as credited in the bank accounts which were utilized for investment in property remained unexplained. Accordingly, the assessee was show caused.

2.2 The assessee filed certain details and explanations. After due consideration thereof, Ld. AO rejected the aforesaid claims as made by the assessee. Total cash deposited during demonetization period was Rs.19.09 Lacs. As against the same, the first deposit of Rs.5.39 Lacs was allowed and the balance amount of Rs.13.70 Lacs was held to be unexplained cash credit and added to the income of the assessee. The assessee reflected receipts from three persons which aggregated to Rs.31.75 Lacs out of which amount of Rs.17 Lacs was received in this year. Accordingly, the same was added as unexplained cash credit u/s

68. Upon further appeal, Ld. CIT(A) confirmed the action of Ld. AO against which the assessee is in further appeal before us.

Our findings and Adjudication

3. From the facts, it is clear that though the assessee furnished various explanations and submissions to establish the source of cash deposit as well as credits in the bank accounts, however, the assessee could not furnish satisfactory evidences before lower authorities. Various discrepancies have been noted in the cash book as maintained by the assessee. The bank credits could not be explained satisfactorily. It has been submitted by Ld. AR that the cash has been sourced out of opening cash balance which is duly supported by the cash book of the assessee. It has also been submitted that the assessee had earlier advanced loans to Shri Abdul Rahim and Shri N. Murali which were received back in cash during this year and the same were utilized to make the investment in the property.

4. In our considered opinion, going by the factual matrix, the assessee has not been fully able to substantiate the sources of cash deposits. At the same time, the assessee has offered income on presumptive basis in earlier years and it is not required to maintain regular books of accounts. Therefore, considering various factors, we restrict the impugned addition of cash deposit to Rs.4 Lacs and delete the balance addition of Rs.9.70 Lacs.

5. So far as the addition of Rs.17 Lacs, the same is mere refund of advances as granted by the assessee earlier. The same is also evident from the ledgers of loan creditors as placed on record. Therefore, there would be no occasion to invoke the provisions of Sec.68 in such a case. Therefore, this addition stand deleted.

6. The appeal stand partly allowed.

Order pronounced on 17th December, 2024.

Sd/-
(MANU KUMAR GIRI)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

चेन्नई Chennai; दिनांक Dated : 17-12-2024
DS

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

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