

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "ए", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH "A", CHANDIGARH

HEARING THROUGH: PHYSICAL MODE

श्री विक्रम सिंह यादव, लेखा सदस्य एवं श्री परेश म. जोशी, न्यायिक सदस्य
BEFORE: SHRI. VIKRAM SINGH YADAV, AM & SHRI. PARESH M. JOSHI, JM

आयकर अपील सं. / ITA NO. 542/Chd/2024
निर्धारण वर्ष / Assessment Year : 2017-18

Parwinder Kaur Vill-Ambe Majra, Mand iGobindgarh Fatehgarh Sahib-Punjab-147301	बनाम	The ITO Ward-1, Chandigarh
स्थायीलेखासं. / PAN NO: DWDPK0871H		
अपीलार्थी/ Appellant		प्रत्यर्थी/ Respondent

निर्धारिती की ओर से/ Assessee by : Shri Parikshit Aggarwal, C.A
राजस्व की ओर से/ Revenue by : Dr. Ranjeet Kaur, Sr. DR
सुनवाई की तारीख/ Date of Hearing : 09/12/2024
उद्घोषणा की तारीख/ Date of Pronouncement : 17/12/2024

आदेश/Order

PER VIKRAM SINGH YADAV, A.M. :

This is an appeal filed by the Assessee against the order of the Ld. CIT(A)/NFAC, Delhi dt. 03/04/2024 pertaining to Assessment Year 2017-18 wherein the sole ground relates to confirmation of addition of Rs. 11,90,000/- made by the AO under Section 69A of the Act.

2. Briefly the facts of the case are that the Assessing officer was in receipt of information that the assessee has deposited a sum of Rs. 11,90,000/- in her bank account maintained with Punjab & Sind Bank during the demonetization period and given that no return of income was filed by the assessee, notice under section 142(1) was issued. However, in response to that, there was no compliance and thereafter, information was sought from the bank under section 133(6) and assessee was again issued a notice under section 142(1) to show cause as to why assessment may not be completed under the provisions of Section 144 of the Act. Given the non compliance to the initial notice as well as the show cause, the assessment was subsequently completed under section 144 of the Act wherein the AO has brought to tax a sum of Rs.

11,90,0000/- being the cash deposited in the bank account maintained by the assessee holding the same as unexplained money and in absence of any explanation submitted by the assessee explaining the nature and source of the cash deposit.

3. Being aggrieved, the assessee carried the matter in appeal before the Ld. CIT(A) who has since sustained the said findings. Against the order of the Ld. CIT(A), the assessee is in appeal before us.

4. During the course of hearing, the Ld. AR submitted that the assessee belongs to a rural background and has no independent source of income other than the agricultural activity carried out by her family. Regarding cash deposit of Rs. 11,00,000/- on 12/11/2016, it was submitted that it is an admitted fact that the said cash was deposited on the said date and at the same time, it was submitted that the assessee had withdrawn equivalent cash amounting to Rs. 11,00,000/- on 07/11/2016 as evident from the bank statement and therefore the source of cash so deposited during the demonetization period is out of the withdrawal so made by the assessee within a short period of five days and the said fact has not been properly appreciated by the AO as well as by the Ld.CIT(A) in spite of the fact that the bank statement was on record by the AO. It was further submitted that the remaining amount of Rs. 29,000/- was deposited on 11/11/2016 and Rs. 49,000/- on 17/11/2016 which were also out of the earlier withdrawals from the bank account. It was accordingly submitted that the source of the cash so deposited is evident from the bank statement of the assessee itself and therefore the addition so made be directed to be deleted.

5. Per contra, the Ld. DR drawn our reference to the bank statement of the assessee stating that on 03/11/2016, the assessee has deposited cash of Rs. 4,57,000/- and on 04/11/2016, there is a cheque deposit of Rs. 7,00,000/- and therefore prior to 07/11/2016, there were cash and cheque deposit which has not been properly explained by the assessee.

6. In his rejoinder, the Ld. AR submitted that these deposits were out of the proceeds of the sale of the agricultural produce as evident from the fact that it was a harvesting time and in any case, no adverse findings has been recorded by the AO as far as the deposits of the cash and cheque deposit on 03 & 04/11/2016 is concerned.

7. We have heard the rival contentions and perused the material available on record. It is an admitted fact that there has been non-compliance on part of the assessee but at the same time, the bank statement of the assessee has been obtained by the AO during the course of assessment proceedings. On perusal of the bank statement, it is noted that besides the cash so found deposited of Rs 11,00,000/- on 12/11/2016, there are cash withdrawals from the said bank account of Rs 11,00,000/- few days prior on 7/11/2016 and other small withdrawals, which explains the total deposits of Rs 11,90,000/- which apparently has escaped the attention of the AO as well as the Id CIT(A). We therefore find the explanation of the assessee that source of cash so deposited is out of earlier withdrawals made during the year as reasonable duly supported by the bank statement and the addition so made is hereby directed to be deleted.

8. In the result, the appeal of the assessee is allowed.

Order pronounced in the open Court on 17/12/2024

Sd/-

परेश म. जोशी
(PARESH M. JOSHI)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-

विक्रम सिंह यादव
(VIKRAM SINGH YADAV)
लेखा सदस्य/ ACCOUNTANT MEMBER

AG

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar