

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"SMC" BENCH MUMBAI**

**BEFORE HON'BLE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER**

**ITA No. 3925/Mum/2024  
(Assessment Year: 2017-18)**

Latha Devdas Melethil 21 Shirin Villa Dr. L.R Nair Road, Mumbai Central, Mumbai -400008.	Vs.	ITO - 19(2)(1) Matru Mandir Room No.221, Tardeo, Mumbai - 400051.
PAN/GIR No. AAOPM2577Q		
(Applicant)		(Respondent)

Assessee by	Shri Sameer Dalal
Revenue by	Shri Vithal Machindra Bhosale, Sr. DR

Date of Hearing	16.12.2024
Date of Pronouncement	19.12.2024

आदेश / ORDER

**PER SANDEEP GOSAIN, JM:**

The present appeal has been filed by the assessee challenging the impugned order 21.06.2024, passed u/s 250 of the Income Tax Act, 1961 ('the Act'), by the National Faceless Appeal Centre, Delhi / ('Ld. CIT(A)'), for the assessment year 2017-18.

2. The grounds raised by the assessee are interrelated and interconnected and relates to challenging the additions made and sustained u/s 69A of the Act, therefore I have decided to dispose off these grounds through the present consolidated order.

3. As per the facts of the present case, the assessee has deposited cash amounting to Rs. 15,40,000/- during the demonetization period and accordingly after carrying out necessary enquiries and providing opportunity of hearing the additions were made and sustained by the revenue authorities towards unexplained money u/s 69A of the Act.

4. In order to prove that the deposits of cash of Rs. 15,40,000/- was not unexplained money, Ld.AR reiterated the same arguments as were raised by him before the revenue authorities and drawn my attention to the paper book filed which contains income tax return and other connected documents.

5. On the other hand Ld. DR relied on the orders passed by the revenue authorities.

6. After having heard the counsels for both the parties and going through the records I noticed that although the cash was deposited by the assessee in the bank account but it was explained that the cash was out of cash in hand which was available with her and in this regard drawn my attention towards paper book page No. 20, wherein the details of cash in hand has been mentioned and the same is reproduced below:

<i>F.Y Ended</i>	<i>Amount</i>	<i>Justification</i>
<i>31.03.2012</i>	<i>17,47,492</i>	<i>Declared in Income Tax return</i>
<i>31.03.2013</i>	<i>19,10,687</i>	<i>Declared in Income Tax return</i>
<i>31.03.2014</i>	<i>21,64,086</i>	<i>Cash book produced</i>

31.03.2015	22,51,056	Cash book produced
31.03.2016	19,54,008/-	Cash book produced

7. On the contrary, the revenue rejected the claim of the assessee by holding that the cash in hand shown by the assessee in ITR A.Y 2012-13 and 2013-14 cannot be accepted as cash in hand available for A.Y 2017-18. Since the cash in hand is not shown in ITR A.Y 2016-17 i.e on 31.03.2016, therefore the balance sheet produced by the assessee are not found to be satisfactory, thus the assessee's claim that she was having cash in hand which is deposited in the year under consideration i.e 2017-18 was not accepted.

8. From the records placed before me I noticed that cash balance of Rs. 17,47,492/- and Rs. 19,10,637/- was shown as cash in hand in ITR for A.Y 2012-13 and 2013-14 respectively which the Ld.AO has himself agree, however for A.Y 2014-15 and 2015-16 the returns of the assessee were filed in form -4, wherein business income was declared u/s 44AD of the Act on presumptive income of Rs. 85,475/- and Rs. 81,291/- respectively. Since the assessee under the provisions of 44AD of the Act was not required to maintain regular books of account. However the column in ITR -4 pertaining to amount of cash balance i.e column No. 6 was left blank for both the assessment years i.e 2014-15 and 2015-16. Therefore the revenue authorities erroneously mentioned that the assessee had shown cash in hand to be 'nil'. From A.Y 2016-17 onwards since the assessee had

discontinued the business activities therefore filed her return in ITR Form No. 2A which is at paper book page No. 107 as there was no business income thus the assessee did not maintain the regular books of accounts. But during the assessment proceedings balance sheet was prepared and filed for A.Y 2016-17, wherein cash balance of Rs. 19,54,0008/- was depicted which is at paper book page No. 10. Therefore all the facts discussed by me above leads to the conclusion that the assessee was having sufficient cash balance for deposit in the bank between 12.11.2016 to 29.11.2016. Therefore I have no hesitation to believe that the amount of Rs. 15,40,000/- was deposited by the assessee out of cash balance available with the assessee over the previous years and deposited in the bank. Therefore addition made and sustained by the revenue are deleted and thus ordered accordingly.

9. In the result, the appeal filed by the assessee stands allowed.

Order pronounced in the open court on 19.12.2024.

Sd/-

**(SANDEEP GOSAIN)**  
**JUDICIAL MEMBER**

Mumbai, Dated 19/12/2024

KRK, PS

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार ( Asst. Registrar)  
आयकर अपीलीय अधिकरण, मुम्बई / ITAT, Mumbai