

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“SMC” BENCH, MUMBAI**  
**BEFORE SMT BEENA PILLAI, JUDICIAL MEMBER**  
**ITA No.4879/M/2023**  
**Assessment Year: 2017-18**

<b>Punit Pawankumar Agarwal</b> Office No. 3, 3 <sup>rd</sup> Floor, Crystal Plaza, 337 Anand Road, Opp. Malad Railway Station, Malad, Mumbai- 400064. <b>PAN: AZFPA1007K</b>	Vs.	<b>ITO</b> Kautilya Bhavan, Room No. 716, 7 <sup>th</sup> Floor, Bandra East, Mumbai- 400051.
<b>Appellant</b>	:	<b>Respondent</b>

**Present for:**  
**Assessee by** : Shri. Riteshkumar Shah  
**Revenue by** : Ms. Pradnya Gholap (Sr. DR)

**Date of Hearing** : 04.12.2024  
**Date of Pronouncement** : 30.12.2024

**ORDER**

**Per Beena Pillai, JM:**

Present appeal is filed by the assessee against order dated 30/10/2023 passed by NFAC Delhi for assessment A 2017-18 on following grounds of appeal:

*“1. Ld.AO erred in adding Rs.2162000/- as unexplained money u/s. 69A of the Income Tax Act.”*

**Brief facts of the case are as under:**

**2.** Assessee is an individual engaged in the business of sale of services and maintenance of technology/IT products and the major client is the Central Railway and other small individual customers. The assessee derives its income from salary and income from other sources. For the year under consideration assessee filed its return of income declaring total income of 3,0,230/-. The case was selected for scrutiny and notice under section 143 (2) and 142 (1) along with questionnaire was issued from time to time.

**2.1.** In response to statutory notices, assessee filed requisite details as called for. The Ld. AO called upon assessee to furnish details in respect of the cash deposited into three bank accounts held by the assessee with Bharat cooperative bank and one account held with Central Bank of India, totalling Rs. 221,62,000/-. The assessee filed details explaining the cash earnings from assessment year 2012-13 to 2017-18 and submitted that considering the line of business that assessee was doing, to maintain cash on hand was a regular feature.

**2.2.** The Ld. AO however made an addition in the hands of the assessee to the extent of the cash deposited during the demonetisation, by observing that assessee could not produce a convincing explanation about his financials.

Aggrieved by the addition made by the Ld. AO, assessee preferred an appeal for the Ld. CIT(A).

**3.** The Ld. CIT(A) confirmed the addition made by the Ld. AO.



Aggrieved by the order of the Ld. CIT(A) the assessee is in appeal before the tribunal.

**4.** The Ld.AR at the outset submitted that, cash earnings in the preceding assessment years has increased since assessment year 2012-13. This increase in cash earnings has not been observed by the Ld. AO and has also not considered cash on hand as an opening balance. The Ld.AR further submitted that, assessee was maintaining joint account with other joint members and therefore the entire cash deposited into the account cannot be treated as cash deposits in the hands of the assessee alone. He submitted that necessary verification at the end of the authorities below has not been carried out based on the evidence is furnished by the assessee.

**4.1.** On the contrary the Ld.AR placed reliance on the orders passed by authorities below.

We have perused submissions advanced by both sides in the light of records placed before us.

**5.** Admittedly, the assessing officer did not carried out necessary verification based on the civility circular issued to verify the cash deposits during the demonetisation. Further, the submission of the assessee that, some of the accounts were held by the assessee jointly with other family members also needs necessary consideration and verification by the Ld.AO. In the interest of justice, the issue is remand back to the Ld. AO for necessary



verification. Needless to say that proper opportunity of being be granted to the assessee in accordance with.

**Accordingly grounds raised by the assessee stands partly allowed for statistical purposes.**

**In the result appeal filed by the assessee stands partly allowed for statistical purposes.**

**Order pronounced in the open court on 30-12-2024.**

**Sd/-  
BEENA PILLAI  
JUDICIAL MEMBER**

Place: Mumbai,

Dated: 30.12.2024

*Snehal C. Ayare, Stenographer*

**Copy of the order forwarded to :**

1. The Appellant
2. The Respondent
3. Ld.DR, ITAT, Mumbai
4. Guard File
5. CIT

//True Copy//

BY ORDER,

(Dy./Asstt. Registrar)  
**ITAT, Mumbai**