

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

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री जगदीश, लेखा सदस्य के समक्ष
BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.2599/Chny/2024
निर्धारण वर्ष /Assessment Year: 2017-18

Vimalabai,
No.58/86, 2nd Floor,
Pudupet Street, Alandur,
Chennai – 600 016.
[PAN: AACPV 4108Q]

(अपीलार्थी/**Appellant**)

The Income Tax Officer,
Vs. Non Corporate Ward-19(6),
Chennai.

(प्रत्यर्थी/**Respondent**)

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

: Ms.Samyuktha Banusekar, Advocate
: Ms. R. Anitha, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 26.12.2024

घोषणा की तारीख /Date of Pronouncement

: 22.01.2025

आदेश / ORDER

PER JAGADISH, A.M :

Aforesaid appeal filed by the assessee for Assessment Year (AY) 2017-18 arises out of the order of Learned Commissioner of Income Tax, Appeal, Addl/JCIT(A)-1, Lucknow [hereinafter "CIT(A)"] dated 30.08.2024 in the matter of assessment framed by the Assessing Officer [AO] u/s. 143(3) of the Income-tax Act,1961 (hereinafter "the Act") on 04.12.2019.

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2. The only effective ground of appeal in this appeal of assessee is against confirming the addition of cash deposits of Rs.10,20,000/- in the bank account during demonetization period.

3. The assessee is an individual and filed her return of income showing total income of Rs.2,70,720/-. The case was selected for scrutiny to verify the cash deposit during demonetization period. The assessee has deposited cash of Rs.10,20,000/- in the Central Bank of India, Alandur Branch. The assessee before the A.O has explained that the assessee derives income from money lending business and cash deposit is out of her money lending business and submitted bank statement, profit and loss account and balance sheet in support of her contention. However, the A.O rejected the assessee's explanation on the ground that the assessee has filed return of income in ITR-I, which is for salary of the assessee. On appeal, the Ld. JCIT(A) has confirmed the addition disregarding the assessee's explanation.

4. The Ld. Authorized Representative (A.R) of the assessee has argued that the Ld. JCIT(A) and A.O have ignored the fact that the assessee has been showing income from money lending business in the income tax return being filled since 2005-06 and and the cash

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deposit is duly recorded in the books of account. The Ld. AR in support of her contention has submitted a copy of profit and loss account and cash book. The Ld. AR has explained that the opening cash balance recorded in the cash book as on 01.04.2016 is Rs.12,57,297/- and the cash balance as on 01.11.2016 is Rs.13,73,547/-. The cash deposit has been made out of the above money which is apparent from the books of account. The Ld. AR therefore, has requested that the addition may be deleted.

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 assessee has submitted a copy of ITR from 2005-06 onwards, where she has been regularly showing income from money lending business. The assessee has also furnished the cash book in which the opening cash balance as on 01.04.2016 is Rs.12,57,297/- and cash balance as on 01.11.2016 is Rs.13,73,547/-. The cash deposit in the bank account during demonetization period is out of the above cash balance which is duly recorded in the books of account. We are therefore of the opinion that the cash deposit is duly

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explained and delete the addition made by the AO accordingly. In view of the above, the appeal filed the assessee is allowed.

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

Order pronounced on 22nd January, 2025.

Sd/-
(एबी टी. वर्की)
(ABY. T. Varkey)

न्यायिक सदस्य / Judicial Member

Sd/-
(जगदीश)
(Jagadish)

लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 22nd January, 2025.

EDN/-

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF