

आयकर अपीलीय अधिकरण न्यायपीठ "एक-सदस्य" मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL
RAIPUR BENCH "SMC", RAIPUR**

**श्री रवीश सूद, न्यायिक सदस्य के समक्ष
BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER**

आयकर अपील सं. / ITA No.464/RPR/2024

निर्धारण वर्ष / Assessment Year : 2011-12

Sunita Jain
199, Ravi Shankar Shukla
College Road, Mahasamund-413 445 (C.G.)
PAN: AHRPJ8254B

.....अपीलार्थी / Appellant

बनाम / V/s.

The Income Tax Officer,
Mahasamund (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri Praveen Jain, CA
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 26.12.2024

घोषणा की तारीख / Date of Pronouncement : 31.01.2025

आदेश / ORDER**PER RAVISH SOOD, JM:**

The present appeal filed by the assessee is directed against the order passed by the Commissioner of Income-Tax (Appeals), National Faceless Appeal Center (NFAC), Delhi, dated 23.08.2024, which in turn arises from the order passed by the A.O under Sec. 147 r.w.s.143(3) of the Income-tax Act, 1961 (in short 'the Act') dated 18.12.2018 for the assessment year 2011-12. The assessee has assailed the impugned order on the following grounds of appeal:

1. Ground 1: That on the facts and in the circumstances of the case and in law, Ld. AO erred in making addition of Rs.12,78,097 and Ld. CIT(A) erred in dismissing the appeal of Assessee.

2. Ground 2: That on the facts and in the circumstances of the case and in law, that the AO reopening the case and reassessing the case did not have proper jurisdiction. Hence, entire assessment proceedings and Appellate proceedings of CIT(A) is bad in law and against the law of natural justice and may kindly be quashed.

3. Ground 3: That on the facts and in the circumstances of the case and in law, reopening is invalid, against the provisions of Income Tax laws and beyond the statutory time limit and may kindly be quashed.

4. Ground 4: The Ld. AO made the addition of Rs.12,78,097/- as the assessee has transferred this amount to other persons. The Ld.AO has never asked the assessee to explain why this amount has been transferred. Furthermore transferring/paying any amount to somebody cannot be treated as income. Income must be something which is income under IT Act. CIT(A), also upheld the Order of AO ignoring the submissions of the Assessee. Hon. CIT(A) has not properly dealt with the merits of the case which is bad in law and against the law of natural justice.

5. Ground 5: Hon. CIT(A) has not properly dealt with the merits of the case which is bad in law and against the law of natural justice.

6. Ground 6: The assessee craves leave to add, urge, alter or withdraw any ground/s before or at the time of hearing of this appeal.

III. Relief Sought

That above mentioned addition of Rs.12,78,097/- equivalent to amount transferred by Assessee made by Ld. Assessing Officer and dismissal of Appeal by Ld. CIT(A) for AY 2011-12 may kindly be deleted.”

2. Succinctly stated, the A.O based on the information that the assessee had during the subject year though made cash deposits of Rs.2,00,000/- in her bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur, but had not filed her return of income, thus, initiated proceedings u/s. 147 of the Act. Notice u/s.148 of the Act, dated 22.03.2018 was issued to the assessee. In compliance, the assessee filed her return of income for A.Y.2011-12 on 03.08.2018 declaring an income of Rs.1,85,380/-.

3. During the course of assessment proceedings, the A.O called upon the assessee to put forth an explanation regarding the source of cash deposits of Rs.2 lacs made in her bank account with HDFC bank Ltd., Branch: Raipur. In reply, the assessee submitted that she was during the year under consideration engaged in the vocation of running cooking and art classes. Elaborating further, the assessee had initially stated that the cash deposits made in her bank account with HDFC bank were sourced out of, viz. (i) the past accumulated savings; and (ii) cash withdrawals made during the

subject year from the savings bank account No.10757330603 with State Bank of India, Branch: Raipur.

4. Ostensibly, the A.O on a perusal of the savings bank account No. 16551930000884 with HDFC bank Ltd., Branch: Raipur, observed that the assessee had during the year under consideration made deposits of Rs.19,15,800/- in the said bank account, viz. (i) cash deposits: Rs. 11,78,000/--; and (ii) credit deposits: Rs.7,37,800/-. Also, the A.O observed that the assessee had during the subject year made cash deposits aggregating to Rs. 2.85 lacs in her savings bank account No.10757330603 with State Bank of India, Branch: Raipur. As is discernible from the assessment order, the assessee in her attempt to justify the source of the cash deposits had though placed on record a reconciliation statement for both the bank accounts, but she failed to come forth with any explanation as regards the credit deposits made in the said accounts. Apart from that, the A.O observed that the assessee after making cash deposits in her bank account No. 16551930000884 with HDFC bank Ltd., Branch : Raipur, had transferred certain amounts to third parties, viz. (i) M/s. Gourav Motors: Rs.1,50,000/-; (ii) M/s. Sai Motors: Rs.4,15,000/-; and (iii) Tavera : Rs.3,00,000/-. Also, the A.O. observed that the assessee had transferred certain amounts to other parties. Accordingly, the A.O was of the view that the amounts received by the assessee from undisclosed sources were

deposited by her in the bank account which, thereafter, were as per requirement transferred to third parties.

5. Apropos the claim of the assessee that the cash deposits in her savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur was, inter alia, sourced from the cash withdrawals made from her savings bank account No.10757330603 with State Bank of India, Branch: Raipur, the same did not find favour with the A.O. The A.O observed that as the assessee had opened her bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur only as on 24.08.2010, therefore, cash deposits made in the said bank account could not be held to have been sourced from the cash withdrawals made during the earlier period from her savings bank account No.10757330603 with State Bank of India, Branch: Raipur. Also, the A.O was of the view that it was incomprehensible that a person would hold cash in hand without any purpose and then, deposit the same in another bank account after few months. Accordingly, the A.O based on his aforesaid deliberations rejected the assessee's claim that the cash deposits in her savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur were sourced from the cash withdrawals made from her savings bank account No. 10757330603 with State Bank of India, Branch: Raipur and her past accumulated savings. The A.O based on his aforesaid deliberations concluded that the substantial amount of cash deposits made by the assessee in her bank account No. 16551930000884 with HDFC bank

Ltd., Branch: Raipur amounting to Rs.12,78,097/- i.e. to the extent the same were transferred to third parties were sourced out of her undisclosed sources. Accordingly, the A.O based on his aforesaid conviction, vide his order passed u/ss. 143(3)/147 of the Act, dated 18.12.2018 determined the income of the assessee at Rs.14,63,480/-.

6. Aggrieved the assessee carried the matter in appeal before the CIT (Appeals) but without success. For the sake of clarity, the observations of the CIT (Appeals) are culled out as under:

“5. Appellate Order and grounds of decision:

5.1 The appellant was a non-filer for AY 2011-12. As per CBI information, the appellant had deposited cash amounting to Rs.2,00,000/- in a day with HDFC Bank. During assessment, it was explained that she was running cooking and art classes and that the cash deposit was made out of savings and withdrawals from her SB1 account. The AO further noted that the perusal of the HDFC Bank account showed cash deposit of Rs.11,78,000/- and credit of Rs.7,37,800/-. A sum of Rs.2,85,000/- was also seen deposited in another bank account. The AO also disbelieved the contention that cash withdrawal from SB1 was used for cash deposit in HDFC account after a substantial time period as it failed the test of human probability. The AO found that a sum of Rs.12,78,097/- was transferred by the appellant to various persons and the reasons were not explained. Accordingly, the sum of Rs.12,78,097/- was held to be out of undisclosed sources and accordingly added to the income of the appellant.

5.2 The appellant filed detailed submissions on the grounds of appeal vide reply dated 13-08-2024. On careful consideration of the assessment order, grounds of appeal, statement of facts and written submissions, the grounds of appeal are disposed off as under:

5.3 Ground No.1:

This ground is with regard to the validity of the re-assessment proceedings. The appellant submitted that the AO did not have sufficient reason to believe that income had escaped assessment. It

is stated that information about cash deposited was not sufficient and there was no tangible material in the possession of the AO for reopening and therefore, the reopening which was based only on AIR information was bad in law. I have considered the appellant's submissions. The appellant is a non-filer for FY 2010-11. As per AIR information, the appellant had deposited cash in the bank accounts to the tune of Rs.2,00,000/- in a day. Therefore, the case is squarely covered by the Provisions of Section 147 whereby as per explanation 2, a case where no return of income has been furnished by the assessee despite having taxable income shall be deemed to be a case where income chargeable to tax has escaped assessment. It is also pertinent to note that the sum of Rs.2,00,000/- was deposited in cash on a single day and in the absence of a return, there was no explanation for the source of this deposit and hence, the AO had sufficient reason to believe that income had escaped assessment. The Hon'ble Supreme Court in CIT vs Rajesh Jhaveri Stock Brokers (P) Limited 291 ITR 500 held that in determining whether the commencement of re-assessment proceedings was valid, it is only to be seen that there was prima facie some material on the basis of which the Department could reopen the case. As the assessee was a non-filer, the case laws relied upon by the appellant are not applicable. Therefore, I hold that the reopening was valid. Accordingly, Ground No.1 is dismissed.

5.4 Ground Nos.2 & 3:

These grounds relate to the merits of the case and are clubbed together for the sake of convenience. It is seen that the appellant in response to notice u/s.148 returned income of Rs.1,85,380/-. The appellant's HDFC Bank and SBI Bank accounts showed substantial cash deposits and credits; however, the sources of these were not explained at the time of assessment with corroborative evidence other than stating that the appellant was running cooking and art classes. Examination of the bank statement shows that there have been regular deposits of cash into the account mostly of substantial sums and in various locations such as Chhattisgarh, Mahasamund, Raipur, Bilaspur and so on. The appellant has not explained the nature and sources of these deposits made in various locations. The AO also observed that the time lines regarding withdrawal of cash from SBI and deposits in HDFC accounts do not match and rejected the appellant's submissions regarding the same. It is pertinent to note that additions were made in respect of sums transferred to other persons to the tune of Rs.12,78,097/-, as the sources of such expenditure were not explained. It is clear from the assessment order that the additions made were in respect of unexplained expenditure. The appellant's submissions that the AO did not ask for details of credits, are not relevant as no additions had been made in respect of credits in the bank accounts. Even at the stage of appellate

proceedings, the appellant has not been able to establish the sources of funds from which expenditure of Rs.12,78,097/- was incurred. It also needs to be noted as per the return of income filed in response to notice u/s.148, a meagre sum of Rs.1,85,379/- alone has been disclosed under 'other sources'. The return has been filed in ITR 1 and salary income as well as house property income has been shown as nil. No business income purportedly from cooking and art classes has been returned. The substantial cash deposits and credits in the bank accounts of the appellant cannot therefore, be explained out of the income from other sources returned. In view of the above discussions, I am of the considered view that the expenditure of Rs.12,78,097/- indicated as transfers in the bank accounts, remains unexplained as the sources of such expenditure have not been proved by the appellant either in assessment or in appellate proceedings. Therefore, I uphold the order of the AO in assessing the unexplained expenditure of Rs.12,78.097/- as being out of undisclosed sources. Accordingly, Ground Nos.2 & 3 are dismissed.

5.5 Ground No.4 is general in nature and all submissions of the appellant have been considered; hence infructuous.

6. In the result, the appeal is dismissed.”

7. The assessee being aggrieved with the order of the CIT(Appeals) has carried the matter in appeal before the Tribunal.

8. I have heard the Ld. Authorized Representatives of both the parties, perused the orders of the lower authorities and the material available on record, as well as considered the judicial pronouncements that have been pressed into service by the Ld. AR to drive home his contentions.

9. Although the assessee had, inter alia, placed on record a cash flow statement/chart by giving it a nomenclature of an “additional evidence” under Rule 29 of the Income Tax Appellate Tribunal Rules, 1963, but I am of the view that the same is primarily a consolidation of the cash

transactions carried out during the subject year in her bank accounts, viz.

(i) savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur; and (ii) savings bank account No.10757330603 with State Bank of India, Branch: Raipur.

10. Shri Praveen Jain, Ld. Authorized Representative (for short 'AR') for the assessee, at the threshold, submitted that the A.O had grossly erred in law and facts of the case in treating the amount of Rs.12,78,097/- (supra) transferred by the assessee from her savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur as having been sourced out of her undisclosed sources. Elaborating on his contention, the Ld. AR submitted that as the cash withdrawals made by the assessee from her bank accounts a/w. the past accumulated savings and current years income explained the source of the subject cash deposits made in her savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur, therefore, there was no justification for the A.O. to have concluded that the amount of Rs. 12,78,097/- (supra) transferred from the said bank account to third parties was sourced out of her undisclosed sources. Carrying his contention further, the Ld. A.R submitted that the assessee's explanation that the subject cash deposits in her bank account were, inter alia, sourced from the cash withdrawals made from her savings bank account No.10757330603 with State Bank of India, Branch: Raipur, had most arbitrarily been discarded by the A.O, based on a perverse observation,

that it was improbable that the cash withdrawals made by the assessee would be available with her to source the cash deposits. The Ld. AR in support of his aforesaid contention had relied on the judgment of the Hon'ble High Court of Karnataka in the case of S.R. Venkata Ratnam Vs. CIT (1981) 127 ITR 807 (Karn.). Also, reliance was placed by the Ld. AR on the order of the ITAT, Jodhpur in the case of Smt. Krishna Agrawal Vs. ITO, Ward-1, Pali, ITA No.53/Jodh/2021 and that of the ITAT, Bangalore, Bench "C" in S.P. Hombanna Vs. ITO, ITA No.708/Bang/2014, dated 02.11.2017. The Ld. AR vehemently submitted that as the assessee during the year had also made cash withdrawals aggregating to Rs.6.08 lacs from her bank account with State Bank of India, therefore, availability of the said amount to source the cash deposits in her other bank account i.e. savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur could not have been summarily discarded by the A.O. The Ld. AR in support of his aforesaid claim had drawn my attention to a 'Chart' wherein cash withdrawals from the assessee's bank accounts, viz. (i) savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur; and (ii) savings bank account No.10757330603 with State Bank of India, Branch: Raipur alongwith the opening cash in hand and income earned during the year were projected to have sourced the subject cash deposits made in both the aforementioned bank accounts. For the sake of clarity, the aforesaid "Chart" is culled out as under:

Sunita Jain
SOURCE OF CASH DEPOSIT

Date	Particulars	Cash	Withdrawal		Deposit		Balance
			Sbi	HDFC	Sbi	HDFC	
01-04-10	Out of Opeing Cash & Gifts	90,000	-	-	-	-	90,000
19-05-10	SBI		40,000	-	-	-	1,30,000
29-05-10	SBI		1,00,000	-	-	-	2,30,000
04-06-10	SBI		93,000	-	-	-	3,23,000
21-06-10	SBI		1,00,000	-	-	-	4,23,000
09-07-10	SBI		-	-	1,00,000	-	3,23,000
12-07-10	SBI		-	-	1,60,000	-	1,63,000
26-07-10	SBI		1,00,000	-	-	-	2,63,000
27-07-10	SBI		1,00,000	-	-	-	3,63,000
16-08-10	SBI		60,000	-	-	-	4,23,000
24-08-10	HDFC		-	-	-	25,000	3,98,000
02-09-10	HDFC		-	-	-	50,000	3,48,000
06-09-10	HDFC		-	20,000	-	-	3,68,000
16-09-10	HDFC		-	-	-	20,000	3,48,000
18-09-20	HDFC		-	-	-	79,000	2,69,000
30-09-10	Income During The Year	90,000	-	-	-	-	3,59,000
13-10-10	HDFC		-	-	-	30,000	3,29,000
13-10-10	HDFC		-	-	-	15,000	3,14,000
13-10-10	HDFC		-	45,000	-	-	3,59,000
15-10-10	HDFC		-	-	-	10,000	3,49,000
16-10-10	HDFC		-	-	-	50,000	2,99,000
19-10-10	HDFC		-	-	-	50,000	2,49,000
22-10-10	HDFC		-	-	-	75,000	1,74,000
29-10-10	HDFC		-	-	-	11,000	1,63,000
31-10-10	Income During The Year	90,000	-	-	-	-	2,53,000
03-12-10	SBI		-	-	25,000	-	2,28,000
06-12-10	SBI		15,000	-	-	-	2,43,000
08-12-10	HDFC		-	-	-	50,000	1,93,000
13-12-10	HDFC		-	20,000	-	-	2,13,000
15-12-10	HDFC		-	-	-	50,000	1,63,000
28-12-10	HDFC		-	-	-	10,000	1,53,000
12-01-11	HDFC		-	1,00,000	-	-	2,53,000
19-01-11	HDFC		-	-	-	2,00,000	53,000
12-02-11	HDFC		-	2,000	-	-	55,000
17-02-11	HDFC		-	1,00,000	-	-	1,55,000
17-02-11	HDFC		-	10,000	-	-	1,65,000
17-02-11	HDFC		-	5,000	-	-	1,70,000
28-02-11	HDFC		-	50,000	-	-	2,20,000
28-02-11	HDFC		-	-	-	50,000	1,70,000
28-02-11	HDFC		-	-	-	1,00,000	70,000
01-03-11	HDFC		-	1,15,000	-	-	1,85,000
04-03-11	HDFC		-	10,000	-	-	1,95,000
08-03-11	HDFC		-	8,000	-	-	2,03,000
11-03-11	HDFC		-	-	-	1,00,000	1,03,000
14-03-11	HDFC		-	-	-	25,000	78,000
16-03-11	HDFC		-	-	-	25,000	53,000
22-03-11	HDFC		-	-	-	3,000	50,000
22-03-11	HDFC		-	-	-	50,000	-
30-03-11	HDFC		-	1,00,000	-	-	1,00,000
30-03-11	HDFC		-	-	-	1,00,000	-
			6,08,000	5,85,000	2,85,000	11,78,000	

11. Also, the Ld. AR submitted that the cash withdrawals made from the assessee's bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur were on certain occasions redeposited in the same bank account. Apart from that, the Ld. AR submitted that the assessee had cash in hand of Rs. 90,000/- available with her as on 01.04.2010, which in turn was sourced out of her past accumulated savings and cash gifts received from friends and relatives. The Ld. AR further submitted that an amount of Rs.1,80,000/-, which had sourced the cash deposits in her aforementioned bank accounts found its genesis in the income that was earned by the assessee during the subject year from the vocation of cooking and art classes. The Ld. AR submitted that both the lower authorities had grossly erred in law and facts of the case in rejecting the explanation of the assessee regarding the source of the cash deposits made in her savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur, which in turn, was utilized by her for making payments/transfers to third parties. The Ld. AR submitted that as there was no cogent reason for the A.O to have rejected the duly substantiated explanation of the assessee, therefore, the adverse inferences and the resultant addition made by him, which, thereafter, had been sustained by the CIT(Appeals) is liable to be vacated.

12. Per contra, Dr. Priyanka Patel, Ld. Departmental Representative (for short 'DR'), submitted that as the assessee had failed to come forth with any explanation as regards the source of the cash deposits made in her bank

account No.16551930000884 with HDFC bank Ltd., Branch: Raipur, which, thereafter, was routed to third parties as payments/transfers, therefore, the A.O had rightly held the source of the said payments/transfers of Rs.12,78,097/- as having been made out of her undisclosed sources.

13. I have thoughtfully considered the contentions advanced by the Ld. Authorized Representatives of both the parties regarding the issue involved in the present appeal, i.e. as to whether or not the lower authorities are justified in law and facts of the case in treating the amount of Rs.12,78,097/- (supra) paid/transferred by the assessee from her savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur as having been sourced from her undisclosed sources.

14. As observed by me hereinabove, the genesis of the controversy finds its roots in the maintainability of the explanation of the assessee as regards the source of the cash deposits made in her savings bank account No. 16551930000884 with HDFC bank Ltd., Branch: Raipur, which in turn, had sourced the payments/transfers aggregating to Rs.12,78,097/-(supra) made from the said bank account to third parties.

15. At the threshold, I may herein observe, that the A.O's view that the assessee would not be in possession of any amount of opening cash in hand as on 01.04.2010 to source the subject cash deposits in her savings bank account No. 16551930000884 with HDFC bank Ltd., Branch: Raipur,

which, thereafter, would have, inter alia, sourced the payments/transfers made to third parties from her said bank account does not merit acceptance. Also I find substance in the Ld. AR's claim that the assessee's claim that part of the cash withdrawals made from her bank accounts, viz. (i) savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur: Rs.5,85,000/-; and (ii) savings bank account No.10757330603 with State Bank of India, Branch: Raipur : Rs.6,08,000/-, would have been available with her to source the cash deposits of Rs.14,63,000/- in the said bank accounts, viz. (i) cash deposits in savings bank account No.10757330603 with State Bank of India, Branch: Raipur : Rs.2,85,000/-; and (ii) cash deposits in savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur: Rs.11,78,000/- could not have been summarily discarded. At the same time, I also cannot remain oblivion of the fact that the aforesaid explanation of the assessee cannot be summarily accepted, on the very face of it, without establishing a clear nexus between such cash withdrawals and the subsequent cash deposits in the said bank accounts. Although, I cannot remain oblivion of the fact that the cash withdrawals made by the assessee would always be with a purpose for utilization of the same for making an investment/expenditure etc. but in absence of any material having been brought on record by the A.O about any such utilization/investment, there could have been no justification for him to

conclude that no part out of the aforesaid amount of cash withdrawals was available with the assessee to source the subject cash deposits.

16. Before proceeding any further, I may herein observe that though the A.O. in the body of the assessment order, had observed, that the assessee had claimed that the subject cash deposits were sourced from, viz. (i). cash withdrawals from savings bank account No.10757330603 with State Bank of India, Branch: Raipur; and (ii). past accumulated savings; but I find that the same does not reveal the correct factual position. Ostensibly, the assessee vide her reply dated 13.12.2018 (filed with the A.O. on the same date) had furnished a consolidated chart regarding the cash deposits and cash withdrawals made from both her aforesaid bank accounts, Page 16 of APB. The assessee based on her aforesaid consolidation of the cash deposits and cash withdrawals had disclosed a deficit/negative cash-in-hand of Rs. 2,70,000/-. It was further claimed by her that the cash deposits of Rs. 2,70,000/- (supra) in her bank accounts was sourced from, viz. (i). income earned during the year: Rs. 1,80,000/-; (ii). out of small gifts and cash-in-hand of the previous years: Rs. 90,000/-. We, thus, in the backdrop of the assessee's claim raised in the course of present proceedings that the cash deposits aggregating to Rs. 14,63,000/- in both her bank accounts were, inter alia, sourced from the cash withdrawals made from the said bank accounts, thus, concur with the Ld. AR that the A.O. had grossly erred in not considering the cash withdrawals made by the assessee from her savings

bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur for sourcing the cash re-deposits made in the said bank account during the year under consideration.

17. On a careful perusal of the cash flow statement filed by the assessee, and a conjoint perusal of the aforementioned bank accounts, I find that the assessee had made a substantial amount of cash withdrawals from both the aforementioned bank accounts, viz. (i) savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur: Rs. 5,85,000/- ; and (ii) savings bank account No.10757330603 with State Bank of India, Branch: Raipur: Rs. 6,08,000/-, part of which could safely be held to have sourced the cash deposits in her bank account No. 16551930000884 with HDFC bank Ltd. (supra) from where payments/transfers to third parties of Rs.12,78,097/- (supra) were made during the subject year. I am of a firm conviction that the A.O without giving any cogent reason could not have summarily discarded the claim of the assessee that the cash withdrawals made from both of her aforementioned bank accounts had partly sourced the cash deposits made in her bank account No. 16551930000884 with HDFC bank Ltd.(supra). I am of the view that as nothing has been placed on record by the A.O which would substantiate that the amounts withdrawn by the assessee from her aforementioned bank accounts were either utilized towards making of an investment or for incurring an expenditure and, thus, were not available with her to source any part of the cash deposits made

during the subject year in her bank account with HDFC Bank Ltd. (supra), therefore, the said fact further supports the explanation of the assessee.

18. Also, I find no substance in the rejection by the A.O. of the assessee's claim as regards the availability of opening cash-in-hand of Rs. 90,000/- to source the subject cash deposits in her bank accounts during the year under consideration. It is difficult to fathom that the assessee who is a working woman of 35 years of age would not be possessed of accumulated cash savings of Rs. 90,000/- as on 01.04.2016. I find that the assessee during the subject year had filed her return of income declaring an income of Rs. 1,85,380/-. As per the return of income the assessee had earned an income from the sale of homemade products of Rs. 1,80,000/-. The A.O. had not doubted the aforesaid stream of income of the assessee and had rather while framing the assessment accepted the same. Accordingly, I am of the view that the assessee's claim as regards the availability of cash-in-hand with her from her current years income also could not have been discarded without assigning any cogent reason by the A.O.

19. I am of the view, that based on my aforesaid deliberations, viz. (i). availability of cash-in-hand with the assessee out of her accumulated past savings as on 01.04.2010; (ii). availability of cash with the assessee out of her current years income; and (iii). availability of cash with the assessee out of the cash withdrawals made from her bank accounts during the subject

year, viz. (a) savings bank account No.16551930000884 with HDFC bank Ltd., Branch: Raipur; and (b) savings bank account No.10757330603 with State Bank of India, Branch: Raipur, though, subject to bearing of proximity between the date of cash deposits and cash withdrawals made in the said respective bank accounts, the matter in all fairness requires to be revisited by the A.O.

20. Accordingly, I set-aside the order passed by the CIT(Appeals) and restore the matter to the file of the A.O. for re-adjudication in the backdrop of my aforesaid observations. Needless to say, the A.O. shall in the course of the set-aside proceedings afford a reasonable opportunity of being heard to the assessee who shall remain at liberty to substantiate his claim based on fresh documentary evidence, if any. Thus, the Grounds of appeal raised by the assessee are allowed for statistical purposes in terms of the aforesaid observations.

21. In the result, the appeal of the assessee is allowed for statistical purposes in terms of the aforesaid observations.

Order pronounced in open court on 31st day of January, 2025.

Sd/-

(रवीश सूद /RAVISH SOOD)

न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर/ RAIPUR ; दिनांक / Dated : 31st January, 2025.

**#SB, Sr. PS

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT-1, Raipur (C.G)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर बेंच,
रायपुर / DR, ITAT, Raipur Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur.