

**IN INCOME TAX APPELLATE TRIBUNAL
"B" BENCH : BANGALORE**

**BEFORE SHRI. LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
AND SHRI. SOUDARARAJAN K, JUDICIAL MEMBER**

ITA No.2190/Bang/2024
Assessment Year : 2017-18

Shri. Devadass Suresh, No.77, 6 th Cross, Next to Prenivas, Convent Thomas Town, K-Halli, Bangalore – 560 084. PAN :AWCPS8289B	Vs.	DCIT, Circle –1(1), Mysore.
APPELLANT		RESPONDENT

Assessee by	:	Shri. B. S. Balachandran, Advocate
Revenue by	:	Shri. Ganesh R. Ghale, Advocate, Standing Counsel for Revenue.

Date of hearing	:	19.12.2024
Date of Pronouncement	:	06.02.2025

ORDER

Per Laxmi Prasad Sahu, Accountant Member :

This appeal filed by the assessee against the Order passed by theCIT(A) confirming the addition made by the AO under section 69A of the Act, for upholding the cash deposited during the demonetization period of Rs.9,00,500/-.

2. Briefly stated the facts of the case are that the assessee filed return of income on 25.09.2017 declaring income of Rs.2,99,310/-. Later on, the case was selected for scrutiny and statutory notices were issued to the

assessee. It was noticed that in account No.3421885386 maintained with Post Office there was cash deposit of Rs.9,00,500/- from 09.11.2016 to 30.12.2016. Assessee was asked to substantiate the cash deposit but there was no reply from assessee. Accordingly, the AO treated it as unexplained money under section 69A of the Act.

3. Aggrieved from the above Order, assessee filed appeal before the CIT(A) and CIT(A) confirmed the addition.

4. Aggrieved from the above Order, assessee filed appeal before the Tribunal. The learned Counsel for the assessee submitted that the assessee is a salaried person and he has received professional fee from M/s. Shree Renuka Sugars Ltd., and he revised return of income declaring gross total income of Rs.3,37,600/- and claimed deduction under Chapter VIA of Rs.33,290/-. Assessee has no other income except salary income. The learned Counsel for the assessee further submitted that his mother is living with the assessee and she is a senior citizen and she was running small shop and out of savings from shop the cash was lying with her and she is suffering from cancer. Therefore, cash was kept in hand and said cash was deposited in account of son. In this regard, he has furnished medical certificate issued by Bangalore Baptist Hospital dated 30.07.2022 and other medical certificate is also produced in the Paper Book. The learned Counsel for the assessee further submitted that the cash belongs to his mother and himself out of past savings and requested that the addition may be deleted.

5. The learned DR relied on the Order of the lower authorities and submitted that assessee is a salaried employee and he is getting salary. He

submitted that there was no need to keep money as cash in hand and his mother could have handed over the money to her son prior to demonetization and money could have been deposited before demonetization period.

6. Considering the rival submissions, we noted that during the course of demonetization, a sum of Rs.9,00,500/- was deposited in the Post Office savings account. On perusal of the documents furnished by the assessee containing page Nos.1 to 10 and page Nos.1 to 43, the learned Counsel for the assessee has filed affidavit of assessee's mother who is 77 years old in which she has stated that during the period of demonetization she has given Rs.6.00 lakh to her son to deposit in the Post Office Savings Account standing in his name and his daughter-in-law's name and a sum of Rs.3,00,500/- has been contributed by her son. She has also stated that a sum of Rs.6 lakh was given out of her life time savings and contingency fund which was kept as cash since she had no bank account and she was running a petty shop for prior years and selling home made products and small commodities. Later on, the amount was transferred to multi purpose co-operative bank, the transferred amount was of Rs.6,13,000/- and Rs.1,98,000/- and it is still lying in her bank account. Simultaneously assessee has also filed affidavit confirming the same amount of Rs.6 lakh as received from his mother vide affidavit dated 18.12.2024. During the course of proceedings before the Revenue authorities, assessee could not substantiate for proof of cash deposited during the demonetization period. Considering the affidavit filed before us and facts of the case as detailed in the affidavit, we are allowing the entire cash handed over by assessee's mother which were deposited in the bank account. Further, considering the balance amount of deposit by assessee, we are also giving benefit to the

assessee. in the result the entire addition confirmed by the ld. CIT (A) is deleted.

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

Pronounced in the court on the date mentioned on the caption page.

Sd//-

(SOUNDARARAJAN K)
Judicial Member

Sd/-

(LAXMI PRASAD SAHU)
Accountant Member

Bangalore,

Dated : 06.02.2025.

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Copy to:

1. Appellant 2. Respondent 3. Pr.CIT4.CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.