

**IN THE INCOME-TAX APPELLATE TRIBUNAL “J” BENCH,
MUMBAI**

**BEFORE SMT. BEENA PILLAI, JUDICIAL MEMBER
&
SMT. RENU JAUHRI, ACCOUNTANT MEMBER**

**आयकर अपील सं./ITA No. 4403/MUM/2024
(निर्धारण वर्ष / Assessment Year :2017-18)**

Bhinesh Shantilal Desai 401-A, 4 th Floor, Sameer, Off J.P. Road, Seven Bungalows, Andheri (W), Mumbai-400058	v/s. बनाम	ITO, Ward, 24(1)(3), Mumbai Room No. 606, Piramal Chambers, Lalbaug, Parel Mumbai-400012
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: AADPD3079K		
Appellant/अपीलार्थी	..	Respondent/प्रतिवादी

निर्धारिती की ओर से /Assessee by:	Shri P. V. Desai
राजस्व की ओर से /Revenue by:	Shri Asif Karmali

सुनवाई की तारीख / Date of Hearing	20.02.2025
घोषणा की तारीख/Date of Pronouncement	28.03.2025

आदेश / ORDER

PER RENU JAUHRI [A.M.] :-

This appeal is filed by the assessee against the order of the Learned Commissioner of Income-tax (Appeals), Mumbai/National Faceless Appeal Centre, Delhi [hereinafter referred to as “CIT(A)”] dated 24.06.2024 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for Assessment Year [A.Y.] 2017-18h.

2. The assessee has raised the following grounds of appeal:

“1.1 The Ld. CIT(A) erred in law and on facts in upholding the 9, order of the Assessing Officer making addition of Rs 10,96,000 u/s 69A of the I.T. Act, 1961 on unjustifiable and untenable grounds.

1.2 The Ld. CIT(A) failed to appreciate that the cash of Rs.10,96,000/- deposited by the appellant in bank account during the demonetization period was out of his life savings and sale of ancestral land and hence there was no unexplained cash credit in his bank account

1.3 The Ld CIT(A) failed to appreciate that the appellant was a retired employee and was not carrying on business activity or any other income earning activity and hence the source of cash deposit was only from his life savings and sale of ancestral agricultural land.

1.4 The appellant prays that Assessing Officer be directed to As delete the unjustified addition of Rs 10,96,000 to the declared income made by him on untenable grounds.

2. The appellant craves permission to add, alter, amend or vary to or any of the above grounds of appeal on or before the date of hearing of the appeal”

3. Brief facts of the case are that the assessee filed return declaring total income of Rs. 5,49,260/- for AY 2017-18 on 31.03.2018. The case was selected for scrutiny on account of cash deposited in the bank account during the period of demonetization. Ld. AO issued a show cause notice to the assessee to explain as to why the amount of Rs. 10,96,000/- deposited in cash in the bank account with HDFC during the period of demonetization should not be added to the income u/s 69A of the Act as unexplained money. The assessee submitted that he was a full-time salaried employee at till a few years back. Subsequently, he started part-time consultation work in the field of textiles and stock market based on his experience. The income from consultancy was partly received in cash. Further, a joint ancestral agricultural land was sold in the year 2013-14 from which he had received part consideration in cash. Since the assessee is a senior citizen. He kept sufficient cash at home for emergencies for himself and his wife. In the absence of any documentary evidence in support of the claim



made by the assessee, Ld. AO proceeded to add the entire cash deposits of Rs. 10,96,000/- in his HDFC bank a/c during the demonetization period i.e. from 09.11.2016 to 30.12.2016 to his income u/s 69A of the Act.

4. Aggrieved with the order of Ld. AO, the assessee preferred an appeal before Ld. CIT(A). In the absence of any corroborative documentary evidence regarding the sale of the agricultural land to explain the availability of cash, Ld. CIT(A) upheld the addition made by the Ld. AO vide order dated 24.06.2024.

5. Aggrieved with the order of Ld. CIT(A), the assessee has filed an appeal before the Tribunal. We have heard the rival submissions and perused the material before us. Ld. AR has once again reiterated the submissions made by the Ld. AO and Ld. CIT(A) and no further documentary evidence in support of his claim regarding cash consideration received from sale of agricultural land in 2013 or receipt of consultancy fee in cash has been submitted before us. However, we note that the Central Board of Direct Tax (CBDT) vide circular No. 3/2017 had directed the AOs to accept the cash deposited during the demonetization period up to Rs. 2,50,000/- even without any explanation or supporting documentary evidence.

6. We note that the lower authorities failed to take into consideration the directions contained in the CBDT circular in this regard. We, therefore, hold that the assessee is entitled to relief up to Rs. 2,50,000/- on the basis of said



circular. Accordingly, Ld. AO is directed to reduce the addition made u/s 69A by Rs. 2,50,000/-.

7. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the open court on 28.03.2025.

Sd/-

BEENA PILLAI

(न्यायिक सदस्य/JUDICIAL MEMBER)

Sd/-

RENU JAUHRI

(लेखाकार सदस्य/ACCOUNTANT MEMBER)

Place: मुंबई/Mumbai

दिनांक /Date 28.03.2025

अनिकेत सिंह राजपूत/ स्टेनो

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT, Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//
आदेशानुसार/ BY ORDER,

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण/ ITAT, Bench,
Mumbai.

