



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.278/PUN/2025

Assessment Year : 2017-18

Late Shakuntala Ramnivas Bansal, through her legal heir Ramniwas Bansal, Bansal Niwas 6, Aundh Road, Khadki, Pune 411020 Maharashtra PAN : AASPB3540J	Vs.	Income Tax Officer, Ward-2(5), Pune
Appellant		Respondent

Assessee by	:	Shri Krishna Gujarathi
Revenue by	:	Shri Aviyogi Ambadkar
Date of hearing	:	13.03.2025
Date of pronouncement	:	03.04.2025

आदेश / ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

This appeal filed by the assessee pertaining to the Assessment Year 2017-18 is directed against the order dated 06.12.2024 passed by Addl/JCIT(A)-1, Lucknow which in turn is arising out of the Assessment order dated 13.12.2019 passed u/s.143(3) of the Act.

2. The sole grievance of the assessee is that the Id.CIT(A) erred in confirming the addition of Rs.13.50 lakh made towards unexplained cash deposit during the demonetization period.

3. Facts in brief are that the assessee is an individual and a senior citizen who declared income of Rs.4,23,660/- in the return of income filed on 09.03.2018. Unfortunately, the assessee had expired on 28.02.2024 and the present appeal has been filed by the legal heir Ramniwas Bansal on behalf of Late Shankuntala



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Ramnivas Bansal. After the filing of income-tax return, the case was selected for scrutiny through CASS followed by validly serving of notices u/s.143(2)/142(1) of the Act. The assessee was asked to explain the source of cash deposit of Rs.22.00 lakh in her bank account held with Union Bank of India, Kirkee Branch, Pune. It was stated by the assessee that she is a senior citizen aged 65 years and owning 7 shops at Ram Complex, Aundh Road, Pune 411 020 and she is receiving rental income of Rs.50,000/- per month which has been duly offered to tax in the return. She also stated that she had accumulated savings of Rs.19,30,668/- and also rental income earned from 01.04.2016 to 08.11.2016 which in total is sufficient to explain the source of cash deposit. Ld. AO examined the contentions but was not fully satisfied and concluded the assessment making addition of Rs.13.50 lakh as against the cash deposit of Rs.22.00 lakh. In other words, source of cash deposit of Rs.8,50,000/- was explained to the satisfaction of the AO. Income assessed at Rs.17,73,660/-.

4. Aggrieved assessee preferred appeal before the ld.CIT(A) and provided various details to explain the source of cash deposit. However, the ld.CIT(A) affirmed the action of the AO observing that ld. AO has given proper relief to the assessee by accepting the explanation of cash of Rs.5.00 lakh as the accumulated savings and further gave relief of Rs.3,50,000/- for the rental income earned from 01.04.2016 to October, 2016. Aggrieved assessee is now in appeal before the Tribunal.

5. Ld. Counsel for the assessee referring to the paper book running into 53 pages and more specifically to the Cash Flow statement placed at pages 49 and 50 of the paper book that if the Cash Flow statement from 01.04.2011 till 11.11.2016 is examined then it can be noticed that there was sufficient cash available with



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the assessee. Reliance placed on the decision of Coordinate Bench, Bangalore in the case of *Cl. Ranjan Sharma Vs. ITO in ITA No.101/Bang/2022, order dated 01.06.2022.*

6. On the other hand, ld. Departmental Representative vehemently argued supporting the orders of the lower authorities.

7. We have heard the rival contentions and perused the record placed before us. The assessee is aggrieved with the finding of ld.CIT(A) confirming the addition for unexplained cash deposit of Rs.13.50 lakh u/s.69A of the Act during the demonetization period. We observe that the assessee deposited cash of Rs.22.00 lakh during the demonetization period but ld. AO was satisfied only with the explanation for Rs.8,50,000/- of cash deposit. For the remaining amount, the assessee has placed copies of bank statement, proof of rental income for past many years duly disclosed in the income-tax return and also filed Cash Flow statement from 01.04.2011 onwards. Perusal of the Cash Flow statement indicates that assessee was having cash in hand as on 01.04.2011 at Rs.3,43,750/-. This reconciliation of opening cash in hand is not supported by any evidence since the assessee is not maintaining her books of account and it is just claim made by the assessee on estimated basis. But subsequent to 01.04.2011, there is regular source of income from rent and normally rent received in cash is deposited in the bank. Going from this cash flow statement, we notice that there had been hardly any drawings/withdrawals for the household expenses made by the assessee nor there is any other evidence filed to prove that any such household drawings have been made out through banking channel. Rental income disclosed is duly supported by income-tax returns. Considering the income of the assessee, we deem it proper to hold that approx. 10% to 15% of the income earned



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during the year and preceding years has been utilized by the assessee towards household drawings and other personal and incidental expenses. Taking an approximate figure and also in order to end the dispute we find that Rs.2,50,000/- should have been incurred as drawings during the period from 01.04.2011 to 11.11.2016 over and above the cash expenses shown in cash flow statement. Therefore, as against the impugned addition of Rs.13,50,000/- assessee gets relief of Rs.11.00 lakh which in our considered opinion is explained through cash in hand available with the assessee and for the remaining amount of Rs.2,50,000/-, addition is confirmed. Grounds of appeal raised by the assessee are partly allowed.

8. In the result, the appeal of the assessee is partly allowed.
Order pronounced on this 03rd day of April, 2025.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 03rd April, 2025.

सतीश/ Satish

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच, पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.