

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

श्री मनु कुमार गिरि, न्यायिक सदस्य एवं श्री जगदीश, लेखक सदस्य के समक्ष
BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.1385/Chny/2025
निर्धारण वर्ष /Assessment Year: 2017-18

Bismillah Khairunnissa,
No.26/B2, Brindavan Apartments,
Alabiri Nagar, 2nd Street,
Vadapalani, Chennai-600026.
[PAN: AHTPK 7633H]

The Income Tax Officer,
Non Corporate Ward-20(3),
Chennai.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

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

: Shri T. Vasudevan, Advocate
: Ms. Gouthami Manivasagam, JCIT

सुनवाई की तारीख/Date of Hearing

: 16.07.2025

घोषणा की तारीख /Date of Pronouncement

: 24.07.2025

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, Addl./JCIT(A)-1, Gurugram [hereinafter "Addl. CIT(A)"] dated 27.03.2025 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 06.08.2019.

2. The assessee is a pensioner and filed her return of income on 06.12.2017 declaring total income of Rs. 4,32,710/-. During the assessment proceedings, the A.O has noticed that the assessee along with her sister has deposited cash of Rs. 2 Lakhs on 01.12.2016 and Rs. 3 Lakhs on 05.12.2016 during demonetization period. The assessee has explained the source of cash deposit as sale of agriculture land in March, 2016 and agriculture lease payments of earlier years. However, the A.O rejected the explanation, disbelieving the claim that cash was kept at home for nine months at home. Aggrieved by the assessment order, the assessee preferred an appeal before Ld. CIT(A). However, the Ld. CIT(A) has dismissed the appeal.

3. The Ld. Authorized Representative has submitted that the assessee is a senior citizen and a spinster residing with her sister. He reiterated that the source of the cash deposit was the sale of agricultural land inherited from her father in March 2016. It was also submitted that the cash was retained to meet any emergency exigencies, and the source had been duly explained.

4. The Ld. Departmental Representative has relied on the orders of the authorities below.

5. We have heard the rival submissions, and perused the materials available on record. The A.O made an addition of Rs. 5 lakhs on account of cash deposits made during the demonetization period. The assessee is a senior citizen and spinster living with her sister. The assessee has explained the source of cash deposit as the sale of agricultural land inherited from her father in March 2016. The Ld. CIT(A), however, did not accept the explanation, citing that the land measured only 3280 sq. ft. and that the claim of receiving Rs. 10 lakhs from agricultural lease was exaggerated. We do not agree with the findings of the Ld. CIT(A), as the assessee has adequately explained the source of Rs. 5 lakhs through the sale of agricultural land in March 2016, which has not been disputed. We also do not agree that sale proceeds in cash cannot be kept for nine months at home for a senior citizen for meeting emergency situation. Accordingly, we set aside the orders of both the A.O and the Ld. CIT(A) and delete the addition.

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

Order pronounced on 24th day of July, 2025 at Chennai.

Sd/-
(मनु कुमार गिरि)
(Manu Kumar Giri)
न्यायिक सदस्य / **Judicial Member**

Sd/-
(जगदीश)
(Jagadish)
लेखा सदस्य / **Accountant Member**

चेन्नई/Chennai, दिनांक/Dated: 24th July, 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