

**IN THE INCOME TAX APPELLATE TRIBUNAL "RANCHI BENCH", RANCHI**  
**BEFORE SHRI SONJOY SARMA, JM**  
**&**  
**SHRI RATNESH NANDAN SAHAY, AM**

**(THROUGH HYBRID MODE)**

**आयकर अपील सं./ITA No.396/RAN/2024**

**(निर्धारण वर्ष / Assessment Year :2017-2018)**

<b>Anubhav Kumar,</b> 18, Darjee Mohalla Doranda, Ranchi-834002	Vs.	<b>ITO-1(1), Ranchi</b>
<b>स्थायी लेखा सं./PAN No. :ARVPK 4816 C</b>		
<b>(अपीलार्थी /Appellant)</b>	..	<b>(प्रत्यर्थी / Respondent)</b>
<b>निर्धारिती की ओर से /Assessee by</b>	:	<b>Shri Akshay Ringasia, AR</b>
<b>राजस्व की ओर से /Revenue by</b>	:	<b>Shri Khubchand T Pandya, Sr. DR</b>
<b>सुनवाई की तारीख / Date of Hearing</b>	:	<b>03/09/2025</b>
<b>घोषणा की तारीख/Date of Pronouncement</b>	:	<b>08/09/2025</b>

**आदेश / O R D E R**

**Per Sonjoy Sarma, JM :**

The above captioned appeal is filed by the assessee against the order dated 21.08.2024, passed by the Id. Addl./JCIT(A)-8, Mumbai for the assessment year 2017-2018.

2. The assessee is an individual filed his income tax return for the assessment year 2017-2018 showing total income at Rs.5,23,718/-.The return of the assessee was processed on the same income as declared by the assessee. The case of the assessee was selected for limited scrutiny on the reason that large value of cash deposit made during the demonetization period. The assessee had deposited Rs.10,42,000/- in cash during the period from 09.11.2016 to 31.12.2016 by the assessee in various accounts maintained by the assessee. The assessee made compliance to the notice issued by the AO in order to substantiate the claim,

however, the submission made by the assessee was denied by the AO and addition was made at Rs.10,42,000/- u/s.69A of the Act by assessing total income at Rs.15,65,718/- in the hands of the assessee. Dissatisfied with the above order, the assessee preferred appeal before the Id.CIT(A) wherein the appeal of the assessee was also dismissed. However, while considering the submission made by the assessee the Id.CIT(A) viewed that the assessee withdrawn during the year Rs.14,50,800/- from various bank accounts maintained by the assessee and deposited Rs.10,42,000/- during the year but no relief was granted because the assessee could not justify about keeping the large cash in his hand and deposited only towards the fag end of the demonetization period. Accordingly, sustaining the addition made by the AO, dismissed the appeal of the assessee.

3. At the time of hearing, Id. AR stated that impugned order passed by the Id.CIT(A) clearly stated that the assessee has withdrawn a sum of Rs.14,50,800/- during the demonetization period but while grating the same he did not consider the fact that the assessee had sufficient amount in his hand to deposit the same. It is not the case of the Assessing Officer that the assessee was required to explain how the large cash should be kept in his possession or how he should be managed his cash before depositing into his bank account. The manager of handling cash is solely within the discretion of the assessee. In the absence of any material brought on record to show that cash deposit emanated from any source other than the disclosed one, the addition cannot be sustained. Therefore, the addition made by the AO and sustained by the Id.CIT(A) is liable to be set aside.

4. On the other hand, Id.Sr.DR supported the decision of the authorities below but could not controvert the fact that the alleged cash was coming from any other sources other than the withdrawals made by the assessee.

5. We after considering the rival submission of the parties and perusing the material available on record, find that it is an admitted fact that the assessee had withdrawn a sum of Rs.14,50,800/- during the year under consideration and deposits were made out of the same amount of Rs.10,42,000/- in various bank accounts maintained by the assessee. Since the management of the bank accounts and financial status is only the sole discretion of the assessee, which cannot be denied by the AO simply on the issue that the cash was deposited during the period of demonetization without bringing any other fact to show that cash was coming out of any other transaction or as explanation provided by the assessee. We, therefore, find that the assessee has fully explained the cash deposited during the demonetization period and accordingly, the addition made in the case of the assessee is hereby deleted and the impugned order passed by the Id.CIT(A) is also set aside.

6. In terms of the above, appeal of the assessee is allowed.

Order pronounced on 08/09/2025.

**Sd/-**  
**(RATNESH NANDAN SAHAY)**

**लेखा सदस्य / ACCOUNTANT MEMBER**

**Sd/-**  
**(SONJOY SARMA)**

**न्यायिक सदस्य / JUDICIAL MEMBER**

**राँची Ranchi; दिनांक Dated 08/09/2025**

Prakash Kumar Mishra, Sr.PS.

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

1. अपीलार्थी / The Appellant- .
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, राँची / DR, ITAT, Ranchi
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

**(Senior Private Secretary)**

आयकर अपीलीय अधिकरण, राँची / ITAT, Ranchi