

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AMRITSAR BENCH, AMRITSAR**

**(HYBRID COURT)**

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER  
AND SH. UDAYAN DASGUPTA, JUDICIAL MEMBER**

**I.T.A. No. 310/Asr/2024**  
Assessment Year: 2017-18

Abdul Farooq, Reasi  
Gran Bayotran, Jammu  
& Kashmir 182 311

[PAN: ACMPF 4865A]

**(Appellant)**

Vs.

Income Tax Officer,  
Ward, Katra

**(Respondent)**

Appellant by	:	None
Respondent by	:	Sh. Charan Dass, Sr. D.R.
Date of Hearing	:	08.09.2025
Date of Pronouncement	:	22.09.2025

**ORDER**

**Per Udayan Dasgupta, J.M.:**

This appeal is filed by the assessee against the order of the Id. Addl./JCIT CIT(A)-1, Bengaluru dated 28.03.2024 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the ITO, Ward, Katra passed u/s 144 of the Act, 1961 dated 27.12.2019.

2. There is only one grounds of appeal regarding the issue of addition of SBN deposit of Rs.3,88,000/- made in bank account during the demonetization period.
3. Brief facts emerging from records are that the assessee is engaged in the business of SIM card distribution and recharge of mobiles vouchers, under trade name of Chowdhary Communications and the assessee maintained two bank accounts with *Jammu & Kashmir Bank being A/c No. xxxxx00231 (current account)* and *xxxxx005965 (savings account)*. He deposited an amount of *Rs.15.59 (fifteen) lakhs* in cash during the period of 08.11.2016 to 31.12.2016 (*as per the details contained in page no. 8 of the assessment order*) and the said deposit includes an amount of *Rs.5,53,000/- SBN (specified bank notes)* in the current account maintained with J & K Bank. However, from para 3.2 of the assessment order, it is seen that the total amount of SBN deposits was *Rs.4,94,000/- (and not Rs.5,53,000/)*.
4. On the basis of cash balance available in the books of account, the Assessing Officer has allowed the benefit of the opening cash as on 08.11.2016 and has made an addition of Rs.3.88 lakhs to the total income being deposit of SBN post on 08.11.2016 (during demo period).
5. The matter carried in appeal has been dismissed by the Id. first appellate authority and the addition of Rs.3.88 lakhs have been sustained.
6. Now, the assessee is in appeal before the Tribunal, there is no representation by the assessee or his Advocate. However, the assessee has filed a written submission containing the revised *Gazette Notification No. 2653 dated 08.11.2016* along with a

bankers certificate issued by the Branch Manager, *Jammu & Kashmir Bank* giving particular of SBN deposits by the assessee in the bank account. Copy of the said certificate is reproduced as under:

✓

**J&K Bank**  
BU Jyotipuram  
01991-255020

Ref. NO.JKB/Jyotipuram/2024-25/ 391      Dated: 16.05.2024

Mr. Abdul Farooq,  
S/o Sh. Abdul Rashid,  
R/o Gran Morh, Reasi.


Subject: Your Current A/C No. 0254010100000231 in the name of  
M/S Choudhary Communication with us.


D/Sir,

In response to your letter dated 16.08.2024, in this regard it is intimated to your goodself that you had deposited Rs. 410000/- (Rupees Four lac ten thousand only) of old denomination Rs 1000 note & Rs 500 note during the m/o Nov 2016 in your current account no. 0254010100000231 (M/S Choudhary Communication), the datewise detail of the old denomination note deposited is as under:

1. 10.11.2024 (1000x24 & 500x164)	=Rs 106000
2. 11.11.2024 (1000x35 & 500x125)	=Rs 97500
3. 15.11.2024 (1000x17 & 500x175)	=Rs 104500
4. 18.11.2024 (1000x41 & 500x-----)	=Rs 41000
5. 21.11.2024 (1000x04 & 500x-----)	=Rs 4000
6. 23.11.2024 (1000x01 & 500x024)	=Rs 13000
7. 25.11.2024 (1000x01 & 500x073)	=Rs 37500
8. 30.11.2024 (1000x07 & 500x-----)	=Rs 7000
<b>Grand Total</b>	<b>=Rs 410000</b>

Yours Truly

  
Branch Manager



The Bank Manager has certified the total cash deposit for the month of November, 2016 at Rs.4,10,000/- (even though the dates are incorrectly mentioned as 2024 instead of 2016). We also refer to the Government Notification in the matters:-

**“Gazette Notification No. 2653 dated 8.11.2016**

*[Providing certain exemptions for the convenience of the members of public]*

**S.O. 3408 (E).** —Whereas, by the notification of the Government of India in the Ministry of Finance, **vide** F. No. 10/3/2016-Cy.I dated 8th November, 2016 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 8th November, 2016, the Central Government declared that the bank notes of existing series of denomination of the value of five hundred rupees and one thousand rupees (hereinafter referred to as the specified bank notes), shall cease to be legal tender on and from the 9th November, 2016;

**And whereas, it has become necessary to notify certain exemptions for the convenience of the members of public in carrying out certain emergent and urgent transactions using the specified bank notes;**

**Now, therefore, in exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934), the Central Government hereby declares that the specified bank notes shall not be ceased to be legal tender, with effect from the 9th November, 2016 until the 11th November, 2016 {the Nth November, 2016 - as substituted vide Notification No. 2682 SO 3445(E) dated 11.11.2016} {the 24th November, 2016 - as further substituted vide Notification No, 2685 SO 3448 (E) dated 14.11.2016. [the 15<sup>th</sup> December, 2016- as further sustained vide Notification No. 2774 SO 3544 (E) dated 24.11.2016], to the extent of transactions specified below, namely:-**

- (a).....
- (b).....
- (c).....
- (d).....
- (e).....
- (f).....
- (g).....
- (h).....
- (i).....
- (j).....
- (k).....
- (l).....
- (m).....
- (n).....
- (o).....

(p).....  
(q).....  
(r).....

**Inserted by Gazette Notification No. 2774 SO 3544 (E) dated 24.11.2016**

*(s) for making payments towards school fees up to a limit of Rs.2000/- per student in the Central Government, State Government, Municipality or Local Body Schools;*

*(t) for making payments towards fees for the Central Government or the State Government colleges;*

*(u) for making payments towards pre-paid mobile top-up to a limit of Rs.500/- for every top-up;*

*(v) for making payments at the toll plazas under National Highways Authority of India including concessionaries, with effect from 3<sup>rd</sup> December, 2016:”*

7. From the above particulars placed before us, it is seen that vide the substitute Notifications No. 2774 SO 3544(E) dated 24.11.2016, the specified bank notes shall not be ceased to be legal tender w.e.f. 9<sup>th</sup> November, 2016 until the 15<sup>th</sup> December, 2016 to the extent of transaction specified below namely (u) *for making payments towards pre-paid mobile top up to limit of Rs.500/- for every top up.*

8. From the certificate issued by the *Branch Manager of J& K Bank*, it seen that the certificate is issued till the period of 13<sup>th</sup> November, 2016 only, and from contents of the assessment order *page 3 and 4*, it is seen that the assessee has also deposited SBN notes even after 15<sup>th</sup> December, 2016 totaling to Rs.6000/- (for the period of 17.12.2016 to 21.12.2016) and rest of the deposit pertain to the period till 30<sup>th</sup> November, 2016. As such, we find that the deposit for the period of 17.12.2016 to

21.12.2016 will be treated as SBN and will not be covered by the Gazette Notification No. 2774 SO 3544 (E) dated 24.11.2016.

9. As such, the addition in this case is restricted to Rs. 6000/- (six thousand) only instead of Rs.3.88 lakhs, and the assessee will get consequential relief.

10. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 22.09.2025

**Sd/-  
(Manoj Kumar Aggarwal)  
Accountant Member**

**Sd/-  
(Udayan Dasgupta)  
Judicial Member**

*\*GP/Sr.PS\**

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T

True Copy

By Order