

आयकर अपीलीय अधिकरण  
दिल्ली पीठ "एस एम सी", दिल्ली  
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "SMC", DELHI  
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER  
आअसं.2661/दिल्ली/2025 (नि.व. 2017-18)  
ITA No.2661/DEL/2025 (A.Y. 2017-18)

Ajmer Singh,  
S/o Shri Kapoor Singh,  
Village Sunaria Khurd, P.O. Sunaria Kalan,  
Tehsil & Distt. Rohtak, Haryana 124001  
PAN: BCXPS-1094-Q  
बनाम Vs.

..... अपीलार्थी/Appellant

Income Tax Officer,  
Ward-1, Rohtak, Haryana 124001

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/Appellant by : Shri Naveen Gupta, Advocate  
प्रतिवादीद्वारा/Respondent by : Shri Manoj Kumar, Sr. DR

सुनवाई की तिथि/ Date of hearing : 15/07/2025

घोषणा की तिथि/ Date of pronouncement: : 10/10/2025

आदेश/ORDER

**PER VIKAS AWASTHY, JM:**

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [in short 'the CIT'(A)'] dated 27.03.2025, for Assessment Year 2017-18.

2. Shri Naveen Gupta, appearing on behalf of the assessee submitted that the assessee is an ex-serviceman and owns agricultural land to the extent of 4.5 acres at village Sunari Khurd, Tehsil and District Rohtak. The Assessing Officer (AO) made addition to the tune of Rs.27,75,000/- in ex-parte proceedings on account of unexplained cash deposits in two bank accounts of the assessee i.e.

Bank Name	Account Number	Amount
State Bank of India	30917242302	20,25,000/-
State Bank of India	20014719985	7,50,000/-
Total		27,75,000/-

3. The assessee in First Appellate proceedings before the CIT(A) explained that the cash deposits to the tune of Rs.20,00,000/- were from earlier withdrawals. The assessee had withdrawn Rs.10,00,000/- from his saving bank account no. 20014719985 on 10.03.2015 and another sum of Rs.10,00,000/- was withdrawn from his saving bank account no. 30917242302 on the same day for purchase of agricultural land. Since the transaction did not materialized the cash amount was kept by the assessee at home in his chest. The assessee had agricultural income from his agricultural land. Thus, remaining amount was deposited from earlier savings and the agricultural income of the assessee. The assessee in support of his submissions had furnished copies of saving bank accounts and passbooks and copies of jamabandi to show agricultural land owned by the assessee and also copy of khasra girdavari in evidence of cultivation of crop on agricultural land. He pointed that a perusal of khasra girdavari would show that during the relevant period there was cultivation of bajra, wheat and sugarcane on the land. The CIT(A) granted part relief to the assessee acknowledging that part of deposits were from earlier withdrawals and agricultural income. Having accepted the fact of earlier withdrawals, the CIT(A) ought to have given full relief on account of earlier withdrawals.

4. Per contra, Shri Manoj Kumar representing the department vehemently defended the impugned order and prayed for dismissing appeal of the assessee.

He submitted that the CIT(A) has granted relief to the assessee, no further relief should be allowed to the assessee in the absence of cogent evidence.

5. Both sides heard, orders of the authorities below examined. The solitary issue in appeal is against the addition made on account of unexplained cash deposits in the bank account of the assessee during the period of demonetization. Since, the assessee failed to participate in assessment proceedings entire cash deposits amounting to Rs.27,75,000/- were treated as unexplained cash deposits u/s.69A of the Act. The assessee had deposited Rs.20,25,000/- in his saving bank account no.30917242302. The aforesaid cash deposits were allegedly from the earlier withdrawals of Rs.10,00,000/- made by the assessee on 10.03.2015, from saving bank account no.30917242302 and Rs.10,00,000/- from saving bank account no.20014719985 for purchase of agricultural land. Since, the deal could not be materialized and allegedly negotiations were in progress, the assessee had kept aforesaid amount with him in home chest. The CIT(A) has accepted the fact of earlier withdrawals and thereafter deposit of cash in his bank account from the aforesaid amount. However, the CIT(A) granted credit of only Rs.7,00,000/- from said withdrawals. The assessee has placed on record bank statements to substantiate withdrawal of the amount. Since, cash deposits from earlier withdrawals have been accepted by the CIT(A), there is no reason for accepting only part of earlier withdrawals. There is no allegation by the Department that part of earlier withdrawals was utilized by the assessee. Therefore, the source of deposits of Rs.20,00,000/- stands explained.

5.1. As regards cash deposits of Rs.7,50,000/- is concerned, the assessee has explained the source of cash deposits from agricultural income and past savings and withdrawals from the earlier years. The CIT(A) has granted relief to the extent

of Rs.2,00,000/-. It is noteworthy that the assessee has not placed on record any document to substantiate agricultural income except that the assessee has placed on record jamabandies and copy of khasra girdavaris to show ownership of assessee on agricultural land and cultivation of crop. The CIT(A) has granted relief to the extent of Rs.2,00,000/- in respect of agricultural income and past savings. The relief has been allowed on estimations. In absence of any documentary evidence to show agriculture income the estimation by CIT(A) is fair and reasonable, hence, upheld. The assessee has further brought to the notice that Rs.1,00,000/- was withdrawn on 14.07.2025 from saving bank account no.20014719985 and Rs.1,00,000/- from saving bank account no.30917242302 on 14.07.2015. Both the aforesaid amounts have not been considered while granting relief to the assessee by the CIT(A). The source of further deposits of Rs.2,00,000/- stands explained. Thus, the addition to the extent of Rs.24,00,000/- (Rs.20,00,000/- + Rs.2,00,000/- +Rs.2,00,000/-) is directed to be deleted. The remaining amount of cash deposits i.e. Rs.3,75,000/- is sustained as unexplained. The ground of appeal no. 2 is thus partly allowed.

6. The assessee in ground no. 3 of appeal has assailed invoking of provisions of section 115BBE of the Act. The Hon'ble Madras High Court in the case of *SMILE Microfinance Ltd. vs. ACIT, WP (MD) No.2078 of 2022 decided on 19.11.2024* has held that amendment to section 115BBE of the Act would come into effect from 01.04.2017 i.e. relevant to AY 2018-19 onwards. Thus, in the impugned assessment year un-amended provisions of section 115BBE of the Act would apply.

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

Order pronounced in the open court on Friday the 10<sup>th</sup> day of October, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 10/10/2025

NV/-

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

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Asstt. Registrar) ITAT, DELHI