

**IN THE INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH 'DB' : AGRA.**

**BEFORE SHRI S.RIFAUR RAHMAN, ACCOUNTANT MEMBER
and
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No.196/AGR/2025
(Assessment Year: 2021-22)**

Akash Goyal,
191, Gali Ganga Sadan,
Dholi Piyau,
Mathura – 281 001 (Uttar Pradesh).

vs.

Income Tax Officer 1(3)(1),
Mathura.

(PAN : ALXPG5446J)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Anurag Sinha, Advocate
REVENUE BY : Shri Shalendra Shrivastava, Sr. DR

Date of Hearing : 14.10.2025
Date of Order : 28.10.2025

ORDER

PER S. RIFAUR RAHMAN, ACCOUNTANT MEMBER :

1. The assessee has filed appeal against the order of the Id. Commissioner of Income-tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi [“Ld. CIT (A)”, for short] dated 17.03.2025 for the Assessment Year 2021-22.
2. Brief facts of the case are, assessee filed its return of income on 27.03.2022 declaring total income of Rs.4,91,340/-. The case was selected for complete scrutiny and the main issue of selection of the case was :

“Assessee has deposited large cash in bank account and also purchased/sold one or more property during the year. The source of cash deposited in bank account, source of amount given for purchase of property and treatment of amount received from the sale of property may be verified.”

3. Based on the above, notices under section 143(2) and 142(1) of the Income-tax Act, 1961 (for short ‘the Act’) were issued and served on the assessee. Since there was no response from the assessee, final notice u/s 144 was issued to the assessee. During assessment proceedings, AO observed that assessee has purchased two immovable properties worth of Rs.69,43,000/-. Further on verification of bank account maintained by the assessee with Union Bank of India, Mathura Cantonment Branch, Mathura, it was observed that during the FY 2020-21, a total credit of Rs.81,36,325/- (including cash and cheque). Therefore, the assessee was asked to explain the source of these deposits in the relevant bank account but the assessee could not submit any explanation regarding the credits in his bank account, accordingly the AO proceeded to take the addition u/s 69A of the Act to the extent of Rs.81,36,325/-.
4. Aggrieved with the above order, assessee preferred an appeal before the NFAC, Delhi and explained the total credits in his bank account which included cash deposit of Rs.29,05,000/-. The assessee has submitted detailed explanation to each credit entry in the bank account. The same information was forwarded to the AO for remand report. In remand report, the AO has accepted all the credit entries of the bank account except cash deposits. With

regard to cash deposits, the assessee has explained the source of the same as under :-

S.No.	Particulars	Amount (Rs.)
1.	Opening cash balance against income and savings	7,23,730
2.	Withdrawals from Union Bank of India itself	13,64,500
3.	Gift from father, Sri Mahavir Prasad Goyal on 12.06.2020 and 22.06.2020 against withdrawal of cash from his saving bank account no.1744010005620 with UCO Bank, Dholi Piyau, Mathura against receipts from sale of land	4,00,000
4.	Cash available against income for the year (Rs.550,290 – Rs.2,83,520 received in Bank account)	2,66,770
5.	Cash withdrawal from Yes Bank (bank statement already held on record.)	90,000
6.	Realisation of debts from Sri Basant (2.09.2020) and Sri Deepak (30.12.2020 and 31.12.2020) to whom payments were made through UPI from the Union Bank account	60,000
	Total	29,05,000

5. After analyzing the cash deposits, the AO has not accepted the following items as not explained by the assessee :-

(a)	Opening cash balance	Rs.7,23,730
(b)	Withdrawal from Yes Bank	Rs.90,000
(c)	Receipt from Sri Basant and Sri Deepak	Rs.60,000
	Total	Rs.8,73,730

6. In response to remand report, assessee has submitted as under :-

“6.1 With regard to bank account with Yes Bank, it is stated that Bank statement is not filed. It is submitted that Bank statement with Yes

Bank was filed with 'AO' during the course of assessment proceedings itself on 30.11.2022, which is duly acknowledged. In said view of matter, addition of Rs.90,000/- is unwarranted and liable to be deleted.

6.2 The payment of Rs.30,000 to Sri Basant on 2.09.2020 and Rs.30,000 to Sri Deepak on 30.12.2020 and 31.12.2020 is evident from the bank statement of Union of India, which the appellant received in cash. It was thus own money of appellant which was received by him in cash and therefore, it is submitted that the said addition is also unwarranted for the same reason as accepted by the 'AO' in other cases.

6.3 The claim of opening cash balance of Rs.723,730 is reasonable looking to the fact that 'appellant' is filing return of income for past several years, his family and his stature and therefore, same should have been accepted as plausible and good explanation.

7. In view of above, it is submitted that whole of addition of Rs.81,36,325 as made by the 'AO' is liable to be deleted including addition of Rs.72,62,595 conceded by the 'AO' in his remand report and Rs.873,730 resisted by the 'AO' end consequently, the appeal deserves to be allowed in full and is prayed accordingly.”

7. After considering the above submissions, Id. CIT (A) held as under :-

“5.4 I have gone through the grounds of appeal, assessment order and submissions made by the appellant. The remand report of the Assessing Officer as well as the rejoinder of the appellant has also been perused. It was submitted by the AO that after considering all the documents submitted during the appellate / remand proceedings it is found that “now the assessee have provided the documents in which on the amount of Rs.72,62,595/- relief may be granted and Rs.8,73,730/- (Rs.7,23,730/- + Rs. 90,000/- + Rs. 60,000/-) is not verified as from above paragraphs.”

5.4.1 In the rejoinder, the appellant submitted that cash deposits of Rs.29,05,000 in bank account, the 'Assessing Officer' has not accepted explanation to the extent of Rs.8,73,730 consisting of – (a) Opening cash balance Rs.723,730 (b) Withdrawal from Yes Bank Rs. 90,000 (c) Receipt from Sri Basant and Sri Deepak Rs.60,000, Total Rs.873,730. With regard to bank account with Yes Bank, it is stated that Bank statement is not filed. It is submitted that Bank statement with Yes Bank was filed with 'AO' during the course of assessment proceedings itself on 30.11.2022, which is duly acknowledged. In said view of matter, addition of Rs.90,000 is unwarranted and liable to be deleted. The payment of Rs.30,000 to Sri Basant on 2.09.2020 and Rs.30,000 to Sri

Deepak on 30.12.2020 and 31.12.2020 is evident from the bank statement or Union of India, which the 'appellant' received in cash. It was thus own money of appellant which was received by him in cash and therefore, it is submitted that the said addition is also unwarranted for the same reason as accepted by the 'AO' in other cases. The claim of opening cash balance of Rs.723,730 is reasonable looking to the fact that 'appellant' is filing return of income for past several years, his family and his stature and therefore, same should have been accepted as plausible and good explanation.

5.4.2 After verification of the submissions made by the appellant, the AO is directed to delete the addition of Rs.90,000/-. The Addition to the extent of Rs.7,83,730/- is upheld. appellant gets part relief. All the grounds raised in this appeal are partly allowed.”

8. Aggrieved with the above order, assessee is in appeal before us raising following grounds of appeal :-

“1. Because in the facts and circumstances of the case, learned CIT (Appeals) has erred in not accepting the sources of cash deposits in the bank account to the extent of Rs.60,000 received by the appellant from Sri Basant and Sri Deepak to whom the appellant had given amounts on 30.12.2020 and 31.12.2020 through his bank account.

2. Because in the facts and circumstances of the case, learned CIT (Appeals) has erred in not accepting the opening cash balance of Rs.7,23,730/- keeping in view that the appellant was existing income tax assessee filing return of income for several years and the explanation given was plausible and reasonable.”

9. At the time of hearing, ld. AR of the assessee brought to our notice page 12 of the appellate order and submitted that ld. CIT (A) has overlooked the fact that the assessee has received back Rs.60,000/- lent to Basant and Deepak which was returned by them by cash, therefore, assessee's own money was received back in cash. With regard to opening cash balance of Rs.7,23,730/- he submitted that assessee is filing return of income for several years and

considering his family and his stature, the same should have been accepted as plausible and good explanation. During the hearing, the ld. AR was asked whether any proof of cash maintenance of cash balance was declared in any of the return of income. For that, the ld. AR could not explain or brought any material except praying that considering the stature of the assessee, the same may be accepted.

10. On the other hand, ld. DR of the Revenue relied on the findings of the lower authorities.
11. Considered the rival submissions and material placed on record. We observe that assessee has made cash deposit of Rs.29,05,000/- out of which assessee has submitted relevant information before the AO during remand proceedings and AO has accepted most of the submissions made by the assessee, however he rejected the submissions of the assessee relating to claim of opening cash balance, withdrawal from Yes Bank of Rs.90,000/- and received from Basant and Deepak of Rs.60,000/-. After considering the submissions of the assessee, ld. CIT (A) has deleted the cash withdrawal from Yes Bank and the same was deposited. However, ld. CIT (A) rejected the submissions of the assessee with regard to receipt of advance lent to Basant and Deepak of Rs.60,000/- and also rejected the opening cash balance. After considering the submissions of the assessee and considering the facts on record, we observe that Rs.60,000/- lent to Basant and Dinesh by the assessee from his bank account and the same was received back by the assessee, therefore, the same may be accepted as

assessee's own money returned. With regard to opening cash balance maintained by the assessee and the same was used to cash deposit, however, it is fact on record that assessee could not prove anything on record except make a plea that it is out of his past savings and out of his income. We observe that the assessee has declared income of Rs.5,50,290/- and assessee has explained the credit of Rs.2,83,520/- on different dates in bank account out of declared income. Therefore, we cannot accept the same explanation here. However, with regard to plea of the assessee, there may be chance of some savings in the hands of the assessee. Therefore, we are inclined to delete Rs.2,50,000/- as plausible savings of the past. Therefore, we are inclined to direct the AO to delete Rs.60,000/- and Rs.2,50,000/- as explained source of income.

12. In the result, the appeal of the assessee is partly allowed as indicated above.

Order pronounced in the open court on this 28th day of October, 2025.

Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER

sd/-
(S.RIFAUR RAHMAN)
ACCOUNTANT MEMBER

Dated: 28.10.2025
TS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals).
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI