

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

श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री जगदीश, लेखा सदस्य के समक्ष
BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.2760/Chny/2024
निर्धारण वर्ष /Assessment Year: 2017-18

Dayalan Parthasarathy,
Flat No.264, Door No.22,
Mangala Nagar,
9th Cross Street, Porur,
Chennai – 600 116.
PAN: BWYPP 4838C

The Income Tax Officer,
Vs. Ward-10(6),
Chennai.

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

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

: Shri S. Anand, Advocate
: Shri R. Raghupathy, Addl. CIT

सुनवाई की तारीख/Date of Hearing

: 20.11.2025

घोषणा की तारीख /Date of Pronouncement

: 04.12.2025

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, Appeal, Addl./JCIT(A)-5, Mumbai [hereinafter "Addl. CIT(A)"] dated 19.06.2024 in the matter of assessment framed by the Assessing Officer [AO] u/s. 144 of the Income-tax Act,1961 (hereinafter "the Act") dated 20.12.2019.

2. There is a delay of 71 days in filing the appeal by the assessee. The assessee has filed condonation petition/affidavit stating the reasons for delay in filing the appeal. We have considered the petition/affidavit of delay in filing the appeal and satisfied that there was sufficient cause for not filing the appeal within the prescribed time limit. Hence, the delay is hereby condoned.

3. The assessee is a senior citizen and has not filled the return of income. The A.O. has reopened the assessment for the reason that the assessee had made cash deposits of Rs. 11,28,000/- in Vijaya Bank and Rs. 6,66,151/- in State Bank of India, but had not filed return of income. The A.O. issued a notice u/s. 142(1) of the Act for filing of the return, but the assessee did not comply. Consequently, the assessment was completed ex-parte u/s. 144 of the Act. Before the A.O., the assessee explained that he has retired from the MES Defence Office on 31.05.2015 and received commuted pension benefits amounting to Rs. 20,40,500/-, which were credited to his SBI account. It was submitted that the cash deposits were made out of withdrawals from the said pension receipts. The A.O. accepted the explanation to the extent of Rs. 10,00,000/-, as assessee has deposited Rs. 10,00,000/- within three-month of withdrawal and added the remaining deposits of Rs. 1,28,000/- and Rs. 6,49,000/- on

the ground that the withdrawals were beyond three months. In the appeal before the Ld. Addl. CIT(A), the assessee contended that the retirement benefits received in the SBI account were withdrawn for the purpose of purchasing property. However, as the proposed purchase did not materialize, he retained the money in cash while continuing his search for suitable property, and eventually re-deposited the same during the demonetization period. The Ld. Addl. CIT(A), however, did not accept the explanation of keeping cash for 15 months and confirmed the additions.

4. At the outset, the Ld. Authorized Representative (A.R.) submitted that the assessee is a retired Government employee from MES and had received pensionary benefits of Rs. 20,40,500/-, which were withdrawn for purchasing property. Since the assessee was continuously searching for property, the withdrawn cash was retained, and when demonetization was announced, the same was redeposited into the bank account.

5. On the other hand, the Ld. Departmental Representative (D.R.) relied on the orders of the lower authorities.

6. We have heard the rival submissions and perused the material on record. The A.O. made an addition of Rs.1,28,000/- deposited in

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Vijaya Bank and Rs. 6,49,000/- deposited in SBI by rejecting the assessee's explanation that the deposits were made out of earlier withdrawals. The basis of rejection was that the cash was withdrawn 15 months prior to redeposit. The assessee has consistently explained that the source of the cash deposits was the withdrawal of retirement benefits and that the cash was retained in hand for the purpose of property purchase, which did not materialize. The redeposit during the demonetization period is also consistent with such an explanation. We do not find any inconsistency or contradiction in the assessee's explanation, particularly considering that the source of the withdrawn funds is undisputed and traceable to the pensionary benefits. Accordingly, we delete the additions made by the A.O. and confirmed by the Ld. Addl. CIT(A).

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

Order pronounced on 04th day of December, 2025 at Chennai.

Sd/-
(एबी टी. वर्की)
(**ABY. T. Varkey**)

न्यायिक सदस्य / Judicial Member

Sd/-
(जगदीश)
(**Jagadish**)

लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 04th December, 2025.

EDN, Sr. P.S

:- 5 -:

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai/Madurai/Coimbatore/Salem
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF