

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'SMC' BENCH , CHANDIGARH**

**BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT**

आयकर अपील सं./ ITA No. 1261/CHD/2025

निर्धारण वर्ष / Assessment Year: 2017-18

|   |    |                                  |
|---|----|----------------------------------|
| Om Parkash Saini,<br>H.No. 2, Village-Gandapura,<br>Mustaffabad, Distt. Yamuna Nagar,<br>Yamunanagar. | Vs | The ITO,<br>Ward-5,<br>Jagadhri. |
| स्थायी लेखा सं./PAN NO: ADIPS0044D  |    |                                  |
| अपीलार्थी/Appellant   |    | प्रत्यर्थी/Respondent            |

Assessee by : Shri Yad Ram Saini, Advocate and  
Shri Neeraj Jain, CA

Revenue by : Dr. Ranjit Kaur, Addl. CIT Sr.DR

Date of Hearing : 22.01.2026

Date of Pronouncement : 29.01.2026

**HYBRID HEARING**

**ORDER**

The assessee is in appeal before the Tribunal against the order of the Id. Commissioner of Income Tax (Appeals) [in short 'the CIT (A)'] dated 02.09.2025 passed for assessment year 2017-18.

2. The grievance of the assessee is that Id.CIT (Appeals) has erred in confirming the order of the AO partly whereby addition of Rs.7,26,090/- has been made.

3. I have duly considered the rival contentions and gone through the record carefully and I deem it appropriate to take note of paragraph No. 5.3 of the assessment order which would exhibit the issue agitated in this appeal :

*“5.3 Therefore, In the light of above facts on record, surrounding circumstances and legal position as narrated above, the assessee's reply with regard the cash deposited during demonetisation to the extent of Rs.11,30,000/- cannot be accepted as the assessee failed to give any plausible explanation about the nature and source of cash deposits and the assessee has made up a concocted storey just to justify his cash holding as on 08.11.2016. However, during the assessment proceedings, the assessee has submitted form J of Rs.4,03,910/- (M/s Vivek Trading Co., Mustfabad on 14.10.2016 of Rs. 1,26,868/-, on 15.10.2016 of Rs.1,81,185 and dated 28.10.2016 of Rs.95,857/-). The confirmation of the same has also obtained and placed on file. Therefore the credit to the extent of Rs.4,03,910/- is considered. Hence the value of cash deposits to the extent of Rs. 7,26,090/- (11,30,000 - 4,03,910) which are appearing in the bank accounts of assessee, is considered as unexplained money u/s 69A of the Income Tax Act, 1961. Therefore, Rs.7,26,090/- is held as income of the assessee from undisclosed sources which are not disclosed to the department and added to the Total Income of the assessee to be taxed u/s 115BBE of the Income tax Act, 1961. The penalty proceedings u/s 271AAC of the income tax Act, 1961 is being initiated separately.”*

**(Addition of Rs.7,26,090/-)**

4. A perusal of the above assessment order would reveal that during demonetization, a sum of Rs.11,30,000/- was deposited in the bank account of the assessee. The ld. AO has given credit to agriculture income declared by the assessee at Rs.4,03,910/- and balance he made the addition.

5. The appeal to the CIT (Appeals) did not bring any relief to the assessee.

6. Before us, ld. counsel for the assessee drew our attention towards bank statement with Punjab National Bank bearing Account No. 1419008800003697. It is a joint account of Shri Om Parkash Saini S/o Shri Hans Raj Saini. From this account, a sum of Rs.8 lacs was withdrawn on 12.09.2016, Rs.32,000/- was withdrawn on 19.09.2016 and Rs.3,84,000/- was withdrawn on 30.09.2016. The assessee claimed credit of these amounts available with him for explaining the source of deposit during demonetization, but both the authorities have failed to give this credit. A perusal of the bank statement would indicate that in the month of September, assessee was possessing more than Rs.11 lacs which was withdrawn from Punjab National Bank. Once the currency has been discontinued, it has to be redeposited in the bank. The ld. First Appellate Authority has failed to appreciate this contention of the assessee inspite of specifically bringing it to his notice. The account details are being noticed by the CIT

(Appeals) on page No. 7 and 8. In spite of this fact, ld.CIT (Appeals) has rejected the case of the assessee.

7. On due consideration of the above facts and circumstances, I am satisfied that assessee was having sufficient cash balance which was withdrawn two months prior to demonetization. It is humanly probable that this amount was lying with the assessee which was re-deposited. Accordingly, no addition deserves to be made in the hands of the assessee. I delete the addition and allow the appeal of the assessee.

8. In the result, appeal of the assessee is allowed.

Order pronounced on 29.01.2026.

Sd/-

**(RAJPAL YADAV)**  
**VICE PRESIDENT**

“Poonam”

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्ड फाईल/ Guard File

सहायक पंजीकार/ Assistant Registrar