

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH, 'SMC': NEW DELHI**

BEFORE SHRI C.N. PRASAD, JUDICIAL MEMBER

**ITA No.8461/Del/2025
Assessment Year 2012-13**

Jagram Manesar, S/o Sh. Prabhu H.No.825, Near Neeraj School, VPO Manesar Gurugram PAN No.ASBPJ0962B	Vs.	Assessing Officer, Gurugram Haryana
Appellant		Respondent

Appellant	Sh. Dikshant Yadav, Advocate
Respondent	Sh. Manoj Kumar, Sr. DR

Date of Hearing	12.01.2026
Date of Pronouncement	17.02.2026

ORDER

PER C.N. PRASAD, JM,

This appeal is filed by the assessee against the order of the Ld. Commissioner of Income Tax (Appeals)/NFAC dated 19.05.2025 for A.Y. 2012-13 in sustaining the addition of Rs.37,99,000/- made towards undisclosed income in respect of cash deposits made into bank account.

2. The Ld. Counsel for the assessee at the outset submitted that in course of assessment proceedings the assessee explained that he has received compensation from Rajasthan Government on account of acquisition of agricultural land and

a copy of acquisition order was furnished to the AO. The Ld. Counsel for the assessee submitted that it was explained to the AO that the cash deposits made into the Gurgaon Central Cooperative Bank Ltd are from out of the withdrawals made from Punjab National Bank and Oriental Bank of Commerce. The Ld. Counsel for the assessee referring to the bank passbook of Gurgaon Central and Cooperative Bank and the Punjab National Bank submitted that the assessee on 01.11.2011 has withdrawn Rs.25 lacs from Punjab National Bank and on the very same day the same was deposited into Gurgaon Cooperative Bank Ltd. Similarly, the balance of Rs.12,99,000/- was also out of the withdrawals from the Punjab National Bank and Oriental Bank of Commerce, therefore, the assessee had explained the sources for the cash deposits into the Gurgaon Central Cooperative Bank Ltd.

3. The Counsel for the assessee further referring to the order of the Ld. CIT(A) submitted that the addition was sustained by the Ld. CIT(A) for the reason that the assessee could not explain why this much of cash was withdrawn ignoring the fact that the assessee had obtained compensation from the Rajasthan Government by way of acquisition agricultural land are sources established and the withdrawn from one bank and was later deposit of the same amount into other bank account was explained. Therefore, there cannot be any addition for not explaining the reason for withdrawal from bank account which otherwise the source for deposit was fully explained.

4. Heard rival submissions and perused the orders of the authorities below. I find considerable merit in the submissions of the Ld. Counsel for the assessee. The bank statement reveal that the assessee has withdrawn the amounts from Punjab National bank and Oriental Bank of Commerce and they were deposited into Gurgaon Central Cooperative Bank Ltd. The source of money is the land acquired from Rajasthan Government and the compensation was paid to the assessee. This assessee explained withdrawals and deposits and they cannot be doubted since the very source was explained and the deposits were also explained. The Ld. CIT(A) is misplaced in sustaining the addition for the reason that the assessee could not explain why he withdrew huge cash from the bank and for this reason the Ld. CIT(A) cannot sustained the addition. Thus, the addition of Rs.37,99,000/- made by the AO as undisclosed income is deleted.

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

Order pronounced in the open court on 17.02.2026.

Sd/-
[C.N. PRASAD]
JUDICIAL MEMBER

Dated: 17.02.2026

*MESH, Sr. P.O.**

Copy forwarded to:

1. Appellant
2. Respondent
3. PCIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi