

**IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, KOLKATA**

**BEFORE SHRI RAJESH KUMAR, AM  
AND  
SHRIPRADIP KUMAR CHOUBEY, JM**

**ITA No.2131/KOL/2025  
(Assessment Year:2016-17)**

**Binay Singh**  
203 Bangur Avenue, Block-A,  
2<sup>nd</sup> floor, Kolkata-700055,  
West Bengal

**(Appellant)**

**Vs.**

**ITO, Ward 49(3)**  
Income Tax Office, Manicktala,  
Civil Centre, Uttarapan Complex,  
CIT Scheme 7M,  
Kolkata-700052, West Bengal

**(Respondent)**

**PAN No. AJAPS5043C**

**Assessee by** : Shri Anil Kochar, AR  
**Revenue by** : Shri Sanjib Kumar Paul, DR

**Date of hearing:** 20.01.2026  
**Date of pronouncement:** 26.02.2026

**ORDER**

**Per Rajesh Kumar, AM:**

This is an appeal preferred by the assessee against the order of the Commissioner of Income-tax (Appeals) ADDL/JCIT(A)-2, Gurugram(hereinafter referred to as the "Ld. CIT(A)") dated 06.12.2024 for the AY 2016-17.

2. The only issue raised by the assessee is against the confirmation of addition of ₹12,11,000/- by the Id. CIT (A) as made by the Id. AO on account of cash deposits during the year by the assessee into the bank account.

3. The facts in brief are that the assessee filed the return of income on 04.08.2016, declaring total income of ₹2,98,120/-. The case of the assessee was selected for scrutiny on account of large cash deposits into the saving bank account and also that the assessee has transferred properties during the year. Notice u/s 143(2) and 142(1) of the Act were issued and replied by the assessee. The Id. AO, after taking into account the evidences furnished by the assessee, made an addition of ₹12,11,000/- in respect of cash deposits during the financial year in the saving bank account after observing from the cash flow statement that the assessee during the financial year 2015-16, has withdrawn cash and redeposited into the same bank account. The Id. AO rejected the cash flow statement furnished by the assessee and thus added ₹12,11,000/- to the income of the assessee besides making other addition of ₹11,49,070/- u/s 56(2)(viib) of the Act. in the assessment framed u/s 143(3) of the Act dated 20.12.2018.
4. In the appellate proceedings, the assessee raised only the issue of cash deposit as the other issue was conceded and not pressed before the Id. CIT (A). The Id. CIT (A) in the appellate proceedings, dismissed the appeal of the assessee by observing and holding as under:-

*"6.5 During the FY. 2015-16 the appellant had made an aggregate cash deposit of Rs. 12, 11,000/- in his savings a/c no-00290100006546 with the Bank of Baroda. India Exchange Place branch Kolkata. In the course of the assessment proceeding the A.O. had directed the appellant to explain the source of the said cash deposits in response there to, the appellant had furnished a cash flow statement for the running period covering five financial years i.e. 2011-12 to 2015-16 along with copy of Bank statements. On close scrutiny of the said cash-flow statement, read with the bank statements from It can be discerned that the appellant had regularly withdrawn and deposited cash in his aforesaid bank a/c at regular intervals.*

*As per appellant contention, at the beginning of the FY 2015-16, the appellant had a cash-in-hand opening balance of Rs. 12,36,000/-. He also effected cash withdrawals to the tune of Rs. 4,28,900/- from his S.B. a/c. After expenses of Rs. 2,00,900/-, the appellant deposited an aggregate cash of Rs. 12,11,000/- in his bank a/c and left with a cash balance of Rs. 2,53,000/- in his hand at the end of the F.Y. 2015-16.*

*The A.O scrutiny rejected the appellant's explanation.*

*I have duly considered the ground of appeal, statement of facts of the case and reply of appellant and prima facie is not acceptable. The appellant did not provide any supporting documents to substantiate his explanations. Considering the above, it is concluded that the appellant has failed to justify the cash deposits made during the demonetization period; therefore, the AO's order is upheld."*

5. After hearing the rival contentions and perusing the materials available on record, we find that the assessee has made withdrawals from the bank account right from A.Y. 2011-12 to F.Y. 2015-16 and these withdrawals were redeposited in A.Y. 2015-16. We note that the Id. AO has rejected the contention of the assessee and so by the Id. CIT (A). We note that even the Id. CIT (A) noted that the appellant has failed to justify the cash deposit during the demonetization period which is totally incorrect observation on the part of the Id. CIT (A) as this cash was deposited during the A.Y. 2016-17, whereas the demonetization was during A.Y. 2017-18. We note that the assessee's wife was ailing from very serious illness and the assessee was requiring money in connection with her treatment. We note that the assessee's wife ultimately died on 13.01.2025. Therefore, we find merit in the contention of the assessee that the cash was withdrawn and kept in the personal custody of the assessee for treatment of his wife for which the assessee has filed a proper cash flow statement giving the description of withdrawals and deposit of money into the bank account. Therefore, we are not in a position to concur with the finding of the Id. CIT (A) on this issue and

accordingly, set aside the order of Id. CIT (A) and direct the Id. AO to delete the addition.

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

Order pronounced in the open court on 26.02.2026.

Sd/-  
(PRADIP KUMAR CHOUBEY)  
(JUDICIAL MEMBER)

Sd/-  
(RAJESH KUMAR)  
(ACCOUNTANT MEMBER)

Kolkata, Dated: 26.02.2026

*Sudip Sarkar, Sr.PS*

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar  
Income Tax Appellate Tribunal, Kolkata