

आयकर अपीलीय अधिकरण, 'एस.एम.सी' 'ए' न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL ,
'SMC' 'A' BENCH, CHENNAI
श्री ए. मोहन अलंकामणी, लेखा सदस्य केसमक्ष
Before Shri A. Mohan Alankamony, Accountant Member

आयकरअपीलसं./I.T.A.No.2600/Mds/2016

(निर्धारणवर्ष / Assessment Year: 2011-12)

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| Shri T. Psalmjebraj, 373/149, Duraisamy Nagar, Arakkonam | Vs | The Income Tax Officer, Ward (3) (1), Vellore |
| PAN: BIMPP6058C | | |
| (अपीलार्थी/Appellant) | | (प्रत्यर्थी/Respondent) |

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| अपीलार्थीकीओरसे/ Appellant by | : | Shri N. Devanathan, Advocate |
| प्रत्यर्थीकीओरसे/Respondent by | : | Shri B. Naveen Kumar, JCIT |

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| सुनवाईकीतारीख/Date of hearing | : | 06.02.2017 |
| घोषणाकीतारीख /Date of Pronouncement | : | 22.02.2017 |

आदेश / ORDER

This appeal by the assessee is directed against the order passed by the Commissioner of Income Tax (Appeals)-13, Chennai dated 14.07.2016 in ITA No.16/CIT(A)-13/AY 2011-12 and it pertains to assessment year 2011-12 passed u/s. 143(3) r.w.s. 147 of the Act.

2. The assessee has raised several grounds in his appeal, however the lone issue that survives for adjudication is that the Ld. CIT(A) has erroneously confirmed the order of the Ld. AO with respect to the addition made on account of bank deposits amounting to Rs.1,70,000/-.

3. The brief facts of the case are that the assessee is an individual engaged in religious activities such as conducting convention meetings, prayers, orchestra etc., on full time basis, filed his return of income on 05.03.2012 admitting total income of Rs.1,59,000/-. Initially, the return was processed u/s. 143(1) of the Act, however the file was taken up for scrutiny and finally assessment was completed on 31.03.2015 u/s. 143 r.w.s. 147/148 of the Act, wherein the Ld. AO made addition for Rs.3,46,000/- being the opening balance against which source could not be established and also made an addition of Rs.1,70,000/- with respect to cash deposits made in his savings bank account on the following dates:-

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|------------|---------------|
| 29.07.2010 | Rs.20,000/- |
| 11.08.2010 | Rs.90,000/- |
| 06.09.2010 | Rs.20,000/- |
| 01.10.2010 | Rs.20,000/- |
| 28.10.2010 | Rs.20,000/- |
| TOTAL | Rs.1,70,000/- |

4. On appeal, the Ld. CIT(A) deleted the addition of Rs.3,46,000/- taking into account of the income return by the assessee during the earlier years and based on the cash flow statement filed by the assessee. However, as regards Rs.1,70,000/- cash deposit made in the bank accounts of the assessee, the Ld. CIT(A) opined that the source for such deposits was not explained and therefore upheld the action of the Ld. AO, who had invoked the provisions of Section 68 of the Act.

5. At the outset, I do not find any merit in the order of the Ld. CIT(A) on the issue of addition made on account of cash credit U/s.68 of the Act, because the Ld. CIT(A) had already accepted the fact that the assessee had opening cash balance of Rs.3,46,000/-. There is every possibility that the bank deposit of Rs.1,70,000/- could have been made from the opening cash balance of the assessee. Thus the source of cash deposit is explained. Hence, I'm of the view that the addition sustained by the Ld. CIT(A) for Rs.1,70,000/- is not warranted. Accordingly, I hereby direct the Ld. AO to delete the addition made for Rs.1,70,000/-.

6. In the result the appeal of the assessee stands allowed.

Order pronounced in the court on the 22nd February, 2017.

Sd/-
(ए. मोहन अलंकामणी)
(A. Mohan Alankamony)
लेखा सदस्य / Accountant Member

चेन्नई/Chennai,

दिनांक/Dated 22nd February, 2017

JR.

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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|--------------------|-------------------------|------------------------------|
| 1. Appellant | 2. Respondent | 3. आयकर आयुक्त (अपील)/CIT(A) |
| 4. आयकर आयुक्त/CIT | 5. विभागीय प्रतिनिधि/DR | 6. गार्ड फाईल/GF. |