

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” “B” BENCH, BENGALURU**

Before Shri B.R. Baskaran, Accountant Member

ITA No. 101/Bang/2022
(Assessment Year: 2017-18)

Col. Ranjan Sharma 894, Jalvayu Towers NGEF Layout Sadananda Nagar Bengaluru 560038	Vs.	The Income Tax Officer Ward - 3(3)(4) Bengaluru
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PAN – AMLPS1613G

Appellant

Respondent

Appellant by:	Shri K. Sheshadri, CA
Respondent by:	Shri Ganesh R. Ghale Standing Counsel for Revenue

Date of Hearing:	01.06.2022
Date of Pronouncement:	01.06.2022

ORDER

Per: B.R. Baskaran, A.M.

The assessee has filed this appeal challenging the order dated 27.12.2021 passed by the learned CIT(A), National Faceless Appeal Centre (NFAC), Delhi and it relates to AY 2017-18.

2. The assessee is aggrieved by the decision of the learned CIT(A) in confirming the addition of Rs.7,01,000/- being cash deposit made into his bank account during the demonetisation period.

3. The facts relating to the issue are stated in brief. The assessee is a retired army officer and is drawing pension. During demonetisation period the assessee deposited a sum of Rs.7,01,000/- in aggregate in two bank

accounts. With asked about the sources, the assessee submitted that he had withdrawn cash on 05.06.2015 to the tune of Rs.8,00,000/- from ICICI Bank and has kept the cash with him. It was submitted that he has kept the money in hand in order to meet emergency medical treatment, as he is suffering from heart disease. The AO took the view that the assessee, being an army officer, is provided with free treatment facilities and hence the claim of keeping of cash at home is not acceptable. The AO has also noticed that the assessee has made deposits and withdrawals subsequent to the date of withdrawal of Rs.8,00,000/- from his bank account. Accordingly he assessed the amount of Rs.7,01,000/- as unexplained cash under Section 69A of the Income Tax Act, 1961 (hereafter "the Act"). The learned CIT(A) also confirmed the same.

4. I heard the parties and perused the record. The learned A.R. took me through the copies of bank account placed in the paper book. A perusal of the same would show that the assessee has withdrawn a sum of Rs.8,00,000/- from his bank account maintained with ICICI Bank on 05.06.2015. I notice that the assessee has withdrawn cash in small amounts in subsequent period also. Since the assessee is an aged person and retired from army, it is quite possible that the assessee had kept the money in cash with him in order to meet medical emergencies. The assessee is a pensioner and there is no other material to show that the cash of Rs.8,00,000/- withdrawn earlier had been spent away. Accordingly, in the facts and circumstances of the case, I am of the view that the explanation of the assessee that he has made the deposit of Rs.7,01,000/- out of the cash withdrawal made earlier is quite plausible. Accordingly in my view the sources for making deposits stand explained in this case.

5. Accordingly I set aside the order passed by the learned CIT(A) and direct the AO to delete the addition of Rs.7,01,000/-.

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

Order pronounced in the open Court on 1st June, 2022.

Sd/-
(B.R. Baskaran)
Accountant Member

Bengaluru, Dated: 1st June, 2022

Copy to:

1. *The Appellant*
2. *The Respondent*
3. *The CIT(A) -NFAC, Delhi*
4. *The CIT*
5. *The DR, ITAT, Bengaluru*
6. *Guard File*

By Order

//True Copy//

Assistant Registrar
ITAT, Bengaluru

n.p.