

THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD “SMC” BENCH

**Before Shri Suchitra Kamble, Judicial Member**

**ITA No. 113/Ahd/2025**  
**Assessment Year 2017-18**

Palak Rajesh Kumar Dudhiya, 7 Nilkanth Bunglows Prahladnagar, Ahmedabad-380015, Gujarat PAN: AORPD3838E (Appellant)	Vs	The Income Tax Officer, Ward-3(3)(2), Ahmedabad (Respondent)
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**Assessee by: Shri M.S. Chhajed, A.R.**  
**Revenue by: Shri N.J. Vyas, Sr. D.R.**

Date of hearing : 19-03-2025  
Date of pronouncement : 05-05-2025

**आदेश/ORDER**

This is an appeal filed against the order dated 18-11-2024 passed by National Faceless Appeal Centre, Delhi for assessment year 2017-18.

2. The grounds of appeal are as under:-

*“1. The order passed by the Ld. CIT(A) is against the law, equity and principle of natural justice.*

*2. The Ld. CIT(A) has erred in law in upholding the addition u/s 69A of the Act to the extent of Rs. 15,00,000/-.*

*3. The Ld. CIT (A) has erred in not allowing VC hearing inspite of specific request made by appellant.*

*4. The Ld. CIT(A) has erred in law and on facts in upholding the invoking of section 115BBE of the Act when transaction are occurred prior to insertion of provision on statute.*

*5. The appellant craves liberty to add, amend, alter or modify all or any grounds of appeal before final appeal.”*

3. The assessee filed return of income for assessment year 2017-18 on 19-08-2017 at total income of Rs. 6,44,560/- along with computation of income. The return of income was processed u/s. 143(1) of the Income Tax Act. The assessee is an individual and claimed to have earned income from interest income. The case was selected for limited scrutiny for the reason “cash deposit during demonetization period”. Accordingly, notice u/s. 143(2) of the Act was issued on 24-09-2018 which was served on the assessee. Thereafter, notice u/s. 142(1) was issued on 11-01-2019 and 12-10-2019. The assessee did not apply to the notice and therefore penalty notice u/s. 272(A)(1)(d) of the Act was issued. The Assessing Officer observed that the assessee made a cash deposit to Rs. 15,00,000/- during the period of demonetization in the bank account with Indian Overseas Bank. In response to the show cause notice dated 04-11-2019, the assessee furnished written submission, bank statement, cash book in support of the source of cash deposit made during demonetization. The Assessing Officer observed that the cash deposit was made on 16-11-2016 was Rs. 3,00,000/- was deposited on 18-11-2016 during the period of demonetization. The assessee submitted that she made withdrawal from her bank account with Kalupur Co-

operative Bank which was subsequently deposited in her bank with Indian Overseas bank during demonetization period. The assessee did not furnish cash book for entire year, bank account statement for the year under consideration and has only given written cash book for the month of Nov, 2016 and statement of Kalupur Co-operative Bank account. The Assessing Officer made addition of Rs. 15,00,000/- u/s. 69A r.w.s. 115BBE of the Act treating the same as assessee's un-explained money.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The ld. A.R. submitted that the assessee has already given the details related to cash deposits are out of the cash withdrawals from Kalupur Co-operative bank and the subsequent deposit of the said amount with Indian Overseas bank. The ld. A.R. submitted that from the demonetization period i.e. 09-11-2016 to 30-12-2016, the assessee deposited cash of Rs. 15,00,000/- in the account held with Indian Overseas Bank and Rs. 85,000/- in account held with Kalupur Co-operative bank. The ld. A.R. submitted that section 115BBE has been introduced in Act as a result of the Taxation Laws (2<sup>nd</sup> Amendment) Act 2016 on 15-12-2016 and therefore the transaction occurred prior to introduction of section 115BBE will not be coming under the purview of section 115BBE of the Act. The ld. A.R. submitted that the assessee has explained all the details

and hence the Assessing Officer as well as CIT(A) was not justified in confirming the addition. The ld. A.R. submitted that the assessee was having the opening cash balance as on 09-11-1996 of Rs. 15,62,500/- and the opening cash balance was Rs. 5,22,000/-. The ld. A.R. further submitted that the Assessing Officer has not raised any query regarding utilization of funds of the assessee during the assessment proceedings and that is why the assessee was not required to explain as to how cash withdrawal in earlier years or earlier days was utilized by the assessee. The ld. A.R. submitted that the deposit into the bank account cannot be added u/s. 69A of the Act as deposited into bank account does not fall within the definition of money, bullion and jewellery. The ld. A.R. relied upon the synopsis filed during the hearing of the case.

6. The ld. D.R. relied upon the assessment order and the order of the CIT(A).

7. Heard both the parties and perused all the relevant materials available on record. From the perusal of the documents, it cannot be seen that the bank statement held with Indian Overseas bank the assessee has given the details from December, 2015 therein the assessee is depositing the amount to the extent of Rs. 6,90,000/-, Rs. 1,48,000, Rs. 46,000/- and on the different dates the assessee is withdrawing as well the amounts. The bank statement of the assessee Kalupur Co-operative bank is also reflected from Sep, 2015 and from that period up till 2017

the assessee has given the details of withdrawals as well as the subsequent deposits on 29<sup>th</sup> April, 2016 and on 24<sup>th</sup> May, 2011, the assessee has withdrawn Rs. 5,00,000/- each on these two dates and thus, in May, 2016, was having the cash of Rs. 10,00,000/-. Subsequently, the assessee was also having cash of Rs. 2,00,000/- from 1<sup>st</sup> Feb, 2016 as well as, if the same is tallied or co-related with the bank statement of Indian Overseas Bank, the assessee was having cash balance of Rs. 15,62,500/- in hand and therefore the trail of cash deposits during the period of demonetization has been explained by the assessee before the Assessing Officer as well before the CIT(A). Therefore, the Assessing Officer was not right in making the addition u/s. 69A of the Act. The appeal of the assessee is allowed.

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

Order pronounced in the open court on 05-05-2025

**Sd/-**  
**(Suchitra Kamble)**  
**Judicial Member**

**Ahmedabad : Dated 05/05/2025**

**आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-**

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार  
आयकर अपीलीय अधिकरण,  
अहमदाबाद