

**09IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH, DELHI**

**BEFORE SHRI S RIFAUR RAHMAN, ACCOUNTANT MEMBER &
SHRI VIMAL KUMAR, JUDICIAL MEMBER**

**ITA No. 4768/Del/2025
(Assessment Year: 2017-18)**

Ashok Kumar Mehrotra E-310, 3 rd Floor, Greater Kailash-II, New Dehli – 110048	Vs.	ITO, Ward 70(5) Civic Centre, Minto Road New Delhi – 110002
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: ALKPM8519K		
Appellant	..	Respondent

Assessee by :	Ms. Mansi Jain, Adv.
Department by :	Sh. Om Prakash, Sr. DR

Date of Hearing	06.11.2025
Date of Pronouncement	03.02.2026

ORDER

PER VIMAL KUMAR, JM:

The appeal filed by the assessee is against the order dated 25.06.2025 of Ld. Commissioner of Income Tax (Appeals)/NFAC, Delhi (hereinafter referred to as ‘CIT’) u/s 250 of Income Tax Act, 1961 (hereinafter referred to as ‘the Act’) arising out of assessment order dated 17.12.2019 of the Act of

Ld. Assessing Officer/Income Tax Officer, Ward-70(5), Delhi (hereinafter referred to as 'Ld. AO') u/s 143(3) of the Act for AY: 2017-18.

2. Brief facts of the case are that assessee filed return of income on 17.06.2017 declaring total income of Rs.6,96,960/- showing income from salary, house property and other source. The case was selected for limited scrutiny under CASS for reason cash deposit during year. Notice u/s 143(2) dated 25.09.2018 was issued. Notice u/s 142(1) of the Act dated 07.08.2019 was issued, assessee filed part reply dated 20.08.2019 and furnished copy of bank statement and Form 16. Notice u/s 142(1) dated 05.09.2019 was issued the assessee filed response dated 13.09.2019. Notice u/s 142(1) dated 07.10.2019 was issued. Assessee filed copy of bank statement on 18.10.2019. Bankers were issued notice u/s 133(6) of the Act. The assessee was asked to furnish source of cash deposit vide notice u/s 142(1) dated 05.09.2019 and 17.10.2019 the assessee filed reply.

3. On completion of proceedings ld. AO vide order dated 17.12.2019 made addition of Rs.69,50,000/- u/s 69A of the Act.

4. Against the order dated 17.12.2019 of Id. AO the assessee filed appeal before Id. CIT(A) which was dismissed vide order dated 25.06.2025.

5. Being aggrieved the appellant assessee preferred present appeal on following grounds:

- “1. On the facts and circumstances of the case, the order passed by the National Faceless Appeal Centre (NFAC) is bad, both in the eye of law and on the facts.
2. On the facts and circumstances of the case, the NFAC has erred both on facts and in law in confirming the addition of Rs. 69,50,000/-, made by the Assessing Officer (A.O.) under section 69A, on account of deposits appearing in the bank account.
3. That the abovesaid addition has been confirmed arbitrarily rejecting the explanation and evidences brought on record by the assessee to prove the source of cash deposits.
4. On the facts and circumstances of the case, the NFAC has erred both on facts and in law in confirming the addition made by A.O. under section 69A, ignoring that the said section is not applicable in the facts and circumstances of the present case.
5. That the appellant craves leave to add, amend or alter any of the grounds of appeal.”

6. The Id. Authorized Representative for appellant assessee submitted that assessee has deposited a total of Rs. 69,50,000/- of cash in three bank accounts maintained by him. The following is the detail of the bank accounts in which the cash was deposited:

Bank Account No.	Amount of Cash Deposited
Allahabad Bank - 21050110439	8,00,000/-
Allahabad Bank - 5024769411	50,00,000/-
ICICI Bank - 071401500002	11,50,000/-
Total cash deposite	69,50,000/-

7. The assessee has deposited the above cash out of the cash withdrawal and the opening cash balance available with the assessee in the following manner:

Particulars	Amount	Paper Book referencing
Cash withdrawal during the year under	48,66,000/-	Table of cash deposited and withdrawal during the year under consideration is placed in PB Pg 87
Opening Cash Balance	51,53,757/-	Cash book of the previous year PB Pg 54-57, relevant Pg 57

8. The assessee has contended that the cash deposited is out of the cash withdrawal and the opening balance which is verifiable from the documents submitted. Also what cannot be denied is the fact that the withdrawal of the

cash has not been questioned either in this year or in the previous year therefore, when the cash withdrawal or opening cash balance has not been alleged to be used for any other purpose the cash deposited back in the bank account to the extent of cash availability (opening cash balance and withdrawals) cannot be doubted.

9. The ld. AR placed reliance on the following case laws:

- i. Rakesh Sardana Vs. ITO, 1564/Del/2024, ITAT Delhi
- ii. Mohd. Imran Vs. AO, ITA No. 3240/Del/2024, ITAT Delhi
- iii. Ajit Bapu Satam Vs. Dy. CIT, 1599/Mum/2021, ITAT Mum
- iv. Som Prakash Vs. ITO, Ward 3(3)(5), 5335/Del/2024

10. Ld. DR relied on orders of ld. CIT(A) & Ld. AO.

11. From examination on record, it light of aforesaid rival contention it is crystal clear that ld. CIT(A) vide order dated 25.06.2025 confirmed addition of Rs.69,50,000/- u/s 69A of the Act made by the ld. AO vide order dated 17.12.2019. The addition was made by Ld. AO as the assessee was found to be owner of money, not recorded in books of account and the nature and source was not identifiable. The total of cash deposit during the year under consideration comes to Rs.48,66,000/- page No. 87 of the paper book. Cash

book of previous year mentions opening balance of Rs.51,53,757/- page No. 57 of the paper book. Therefore, the assessee had shown cash deposit to be the cash out of cash withdrawal and the opening balance was verifiable from the documents. Therefore, the addition of Rs.69,50,000/- u/s 69A of the Act being not just fair, reasonable and legal is set aside. Both the impugned orders of Ld. CIT(A) dated 25.06.2025 and 17.12.2019 of Ld. AO are quashed. The grounds of appeal No. 1 to 5 are accepted.

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

Order pronounced in the open court on 03.02.2026

Sd/-
(S Rifaur Rahman)
ACCOUNTANT MEMBER

Sd/-
(Vimal Kumar)
JUDICIAL MEMBER

Dated 03.02.2026
Rohit, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI