IN THE INCOME TAX APPELLATE TRIBUNAL,
JAIPUR BENCHES, “SMC” BENCH, JAIPUR

BEFORE SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER

ITA No.1807/JPR/2025
(Assessment Year:2022-23)

Sunil Kumar Garg S/o Sh. Madan Lal Garg, Post Behnera, Bharatpur	Vs.	ITO Ward 1 Bharatpur
स्थायीलेखासं./जीआइआरसं./PAN/GIR No:AMUPG 5289 M		
Appellant	..	Respondent

Appellant by :	Sh. Dheeraj Borad, CA
Respondent by :	Mrs. Arti Rawat, JCIT

Date of Hearing	07.09.2026
Date of Pronouncement	15.09.2026

<u>O R D E R</u>

<u>Per Annapurna Gupta, AM:-</u>

The present appeal has been filed by the assessee against the order passed by the National Faceless Appeal Centre, Delhi (hereinafter referred to as “Ld. CIT(A)”), dated 13.10.2025 under Section 250 of the Income Tax Act, 1961 (hereinafter referred to as “the Act”).

2. The grounds raised read as under:

1. That on the facts and in law the learned CIT(A) erred in sustaining the additions of Rs. 31,40,000/-made by the A.O. u/s. 69A r.w.s. 115 BBE of the I.T. Act in the relevant assessment order, which sustaining of the additions of Rs. 31,40,000/- by the learned CIT(A) are most arbitrary, unjust and untenable in fact and in law and in the alternative highly excessive w.r.t facts and circumstances of the case.

2. That the learned CIT(A) erred in sustaining the invoking of provisions of section 69A r.w.s. 11588E of the I.T. Act by the AO whereby he, the learned AO, levied tax @ 60% plus 25% S.C., etc. on the additions made by the A.O., which sustaining by the learned CIT(A) of invoking of provisions of section 69A r.w.s. 115BBE of the I.T. Act by the AO and levying tax @ 60% plus 25% 5.C., etc. on the additions of Rs. 31,40,000/- made by him is most arbitrary, unjust and untenable in fact and in law.

3. That the learned CIT(A) ought to have appreciated that the learned AO failed to discharge the burden of proof which squarely lay upon him for not treating the cash deposited by the assessee in his bank accountsduring the period 01.04.2021 to 31.03.2022 at Rs. 31,40,000/- as explained and consequentially treating the cash deposited at Rs. 31,40,000/- in the bank accounts during the relevant previous year as unexplained money as per provisions of section 69A and adding the same in the total income of the assessee.

4. That the Id. CIT (A) grossly erred in not complying with the specific provisions of section 250 (4) of the IT Act, which clearly cast a duty on the Id. CIT (A) that before disposing of an appeal he will make such further inquiry as he thinksfit, but in this case before deciding the appeal the Id. CIT(A) neither himself made any inquiry nor he directed the AO to make further inquiry nor he even called assessment record of the assessee from the AO for his inspection/perusal/consideration.

5. That the Id. CIT (A) failed to take into consideration the details of sources of generation of cash in hand like filing by him with the AO copy of post office statements of his parents and wife Vandana which clearly confirmed cash withdrawals made by all these three near relativesand giving such cash to the assessee which he simultaneously deposited in his bank account.

6. That the appellant craves leave to add, alter, amend and/or substitute one or more grounds of appeal as and when necessary.

3. The solitary issue in the present appeal relates to the addition made to the income of the assessee on account of cash found deposited in the bank account of the assessee amounting to Rs.31,40,000/- the source of which allegedly remained unexplained.

4. The facts on record are that the assessee was noted to have deposited cash amounting to Rs.31,40,000/- in one or more account (other than current account and time deposits). The assessee's explanation of the source of cash deposit is reproduced at page 15 of the assessment order wherein the source is explained in a tabular form as under:-

SUNIL KUMAR GARG

S.R	DATE	ACCOUNT NUMBER		AMOUNT	SELF CASH	JOINT A/C SUNIL VANDANA		TOTAL			
1	12.04.2021	44740100003169	FATHER	458000		44740100004248			10001471068	POST OFFICE	
2	12.04.2021	44740100004283	MOTHER	76000	16000	44740100004248		550000	10001471068	POST OFFICE	
3	10.05.2021	44740100004248	VANDANA	450000			VANDANA	450000	10001471068	POST OFFICE	
4	13.05.2021	43860100007703	MOTHER	490000	30000			520000	10001471068	POST OFFICE	
5	14.06.2021	44740100004283	MOTHER	375000				375000	10001471068	POST OFFICE	
6	14.07.2021	44740100003169	FATHER	265000		44740100004248	VANDANA	265000	10001471068	POST OFFICE	
7	14.10.2021	44740100003169	FATHER	320000		44740100004248	VANDANA	320000	10001471068	POST OFFICE	
8	21.02.2022	44740100003169	FATHER	510000		44740100004248		510000	10001471068	POST OFFICE	
9	03.03.2022	44740100003169	FATHER	145000	5000	44740100004248		150000	10001471068	POST OFFICE	
		TOTAL		3089000	51000			3140000			

5. Referring to the same, ld. Counsel for the assessee contended that the assessee had explained the amount of Rs.31,40,000/- was deposited in the post office account of the assessee and the source of the same had been explained as amount received by the assessee from his father and mother, which was subsequently withdrawn in cash and deposited in the post office account of the assessee. As evidence:-

- Copy of bank account of the assessee's mother and father were filed reflecting the payment of amounts to the assessee by way of banking entries through cheque.
- Copy of bank account of the assessee in Baroda Rajasthan Kshetriya Gramin Bank reflecting credit of the amounts received from his mother and father, subsequently withdrawn in cash of the amount so deposited.

- Copy of the post-office saving bank account in the name of the assessee wherein the cash withdrawn from the bank account of the assessee was shown as deposited.

6. The explanation of the assessee and the evidences filed to the Authorities below have been submitted in writing by the assessee before me in his written submissions. The contents of which are reproduced hereunder:-

> *1. The only issue in this case is that the assessee who is resident of village and post Behnera, Bharatpur deposited total cash amount of Rs. 31,40,000/- in piece meal with post office at village and post Behnera, Bharatpur, Rajasthan.*
>
> *2. The source of such cash deposit is explained by a chart in tabular form inter-alia giving details of immediate source of cash received for deposit in Post Office; Amount; Total Cash in hand for deposit in Post Office on the date of deposit of cash in Post Office; source of fund; date of receipt of such fund; nature of receipt; amount; source of funds in the hand of donor/fund giver, date of utilization; cash utilized where; nature of utilization; amount of cash utilized.*
>
> *3. In support of these details the appellant filed with the A.O. following supporting documents:-*
> *i. Copy of bank account no. 43860100007703 with Baroda Rajasthan Kshetriya Gramin Bank, Bharatpur, Village and Post Behnera in the name of appellant's mother Mrs. Ram Maya Devi W/o Madan Lal Garg confirming gift of Rs. 4,90,000/- by way of bearer cheque no. 511013 dated 13/05/2021 in the name of her son appellant Sunil Kumar Garg who withdrew cash amount of Rs. 4,90,000/- from the bank by way of this bearer cheque. This cash amount of Rs. 4,90,000/- plus Rs. 30,000/- assessee's own cash saving, totaling to Rs. 5,20,000/- was immediately deposited in the post office account in the joint name of appellant Sunil Kumar and his wife Vandana Garg on 13/05/2021.*
>
> *ii. Copy of another bank account no. 44740100004283 with Baroda Rajasthan Kshetriya Gramin Bank, Bharatpur, Village and Post Behnera in the name of appellant's mother Mrs. Ram Maya Devi W/o Madan Lal Garg confirming two gifts, one of Rs. 76,000/-by way of account payee cheque of Rs. 76,000/- bearing cheque No. 36919 dated 12/04/2021 and the other of Rs. 3,75,000/- by way of bearer cheque dated 14/06/2021 in the name of her son appellant Sunil Kumar Garg who withdrew cash amount of Rs. 3,75,000/- from the bank by way of this bearer cheque. This cash gift received from his mother of Rs. 3,75,000/- was immediately deposited in the post office account in the joint name of appellant Sunil Kumar and his wife Vandana Garg on 14/06/2021 itself.*

iii. Copy of bank account no. 44740100003169 with Baroda Rajasthan Kshetriya Gramin Bank, Bharatpur, Village and Post Behnera in the name of appellant's father Madan Lal Garg confirming gifts of Rs. 4,58,000/-; Rs. 2,65,000/-, Rs. 9,60,000; Rs. 10,10,000/-; Rs. 1,45,000/- by way of account payee cheques/bank transfers dated 12/04/2021; 14/07/2021; 11/10/2021; 19/02/2022 and 03/03/2022 respectively.

iv. Copy of bank account no. 44740100004248 with Baroda Rajasthan Kshetriya Gramin Bank, Bharatpur, Village and Post Behnera in the name of appellant Sunil Kumar Garg confirming deposits of above mentioned cheques/bank transfers of Rs. 4,58,000/-; Rs. 76,000; Rs. 2,65,000/-, Rs. 9,60,000; Rs. 10,10,000/-; Rs. 1,45,000/-by way of account payee cheques/bank transfer dated 12/04/2021; 12/04/2021; 14/07/2021; 11/10/2021; 19/02/2022 and 03/03/2022 respectively.

V Besides in the bank account of appellant Sunil Kumar closure proceeds of four term deposits totaling to Rs. 9,03,452/- were also credited on 10/05/2021 and out of these proceeds a cash of Rs. 4,50,000/- was withdrawn and the same was deposited in post office.

vi. In addition to that the past cash saving of Rs. 30,000 was also utilized in depositing the above amount of Rs. 31,40,000/- in the Post Office as per chart enclosed herewith.

vii. For the purpose of depositing cash of Rs. 31,40,000/- in the post office account in joint name of appellant Sunil Kumar Garg and his wife Vandana Garg, assessee withdrew cash amounts of Rs. 90,000; Rs. 4,60,000/-; Rs. 4,50,000/-; Rs. 2,65,000/-; Rs. 3,20,000/-; Rs. 5,00,000/-; Rs. 10,000/- and Rs. 1,50,000/- on 15/04/2021; 15/04/2021; 10/05/2021; 14/07/2021; 14/10/2021; 21/02/2022; 21/02/2022 and 03/03/2022 respectively. All these entries are reflected in assessee's bank account no. 44740100004248 with Baroda Rajasthan Kshetriya Gramin Bank, Bharatpur, Village and Post Behnera

viii. Copy of Post Office saving bank account no. 010001471068 in the joint name of Sunil Kumar and Vandana with post office at village and post Behnera, Bharatpur showing total cash deposit of Rs. 31,40,000/-(Rs. 5,50,000/- plus Rs. 4,50,000 plus Rs. 5,20,000 plus Rs. 3,75,000/- plus 2,65,000/- plus 3,20,000/- plus Rs. 5,10,000/-plus Rs. 1,50,000/-) is enclosed herewith.

4. From the perusal of above mentioned details and the enclosed chart in the tabular form the hon'ble bench will very kindly find that the appellant has fully filed all the supporting documents explaining the source of total cash deposits of Rs. 31,40,000/- in the post office at village and post Behnera, Bharatpur in joint name of Sunil Kumar & Vandana and there is no unexplained income of the appellant at all.

In view of above it is respectfully submitted that provisions of section 69A of the IT Act r.w.s. 115BBE are not applicable in this case.

7. Ld. Counsel for the assessee further filed a chart in tabular and extended form showing all fund in the hands of the assessee as well as in the hands of donor or fund giver as under:-

SUNIL KUMAR GARG AY 2022-23. IT APPEAL NO. ITA 1807/JPR/2025 BEFORE THE HON'BLE TRIBUNAL

CHART IN TABULAR AND EXTENDED FORM INTER-ALIA SHOWING SOURCE OF FUND IN THE HANDS OF THE ASSESSEE AS WELL AS IN THE HANDS OF THE DONER/FUND GIVER

Sr. No.	Date	Immediate source of Cash Received for Deposit in Post Office	Amount	Total Cash in Hand for deposit in Post Office	Source of Fund	Date of Receipt	Nature	Amount	Source of Funds in the hand of donor/fund giver	Date of Utilization	Cash Utilize Where	Nature of Utilization	Amount of Cash Utilized
1	15/04/2021	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	90,000.00	550,000.00	(Madan Lal Garg)Father bank account 3169 with Baroda Rajasthan Kshetriya Gramin Bank	12/04/2021	Gift	458,000.00	Closure Proceeds of FDR in name of Father Madan Lal Garg credited in his bank account	15/04/2021	POST OFFICE A/c. 71068	CASH DEPOSIT	550,000.00
2	15/04/2021	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	460,000.00		(Ram Maya Devi) Mother bank account 4283 with Baroda Rajasthan Kshetriya Gramin Bank with Baroda Rajasthan Kshetriya Gramin Bank	12/04/2021	Gift	76,000.00	Closure Proceeds of FDR in name mother of Ram Maya Devi				
					Cash Withdraw from own bank account with Baroda Rajasthan Kshetriya Gramin Bank	-	-	16,000.00	-				
3	10/05/2021	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	450,000.00	450,000.00	Closure Proceeds of FDR in joint name of Sunil Kumar Garg and Vandana Garg credited in bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	10/05/2021	Joint name term depsoit	903,452.00	Closure Proceeds of FDR in joint name of Sunil Kumar Garg and Vandana Garg	10/05/2021	POST OFFICE A/c. 71068	CASH DEPOSIT	450,000.00
4	13/05/2021	(Ram Maya Devi) Mother through bearer cheque of her bank account	490,000.00	520,000.00	(Ram Maya Devi) Mother bank account 7703 with Baroda Rajasthan Kshetriya Gramin Bank	13.05.2021	Gift	490,000.00	Closure Proceeds of FDR in name mother of Ram Maya Devi	13/05/2021	POST OFFICE A/c. 71068	CASH DEPOSIT	520,000.00
5	13/05/2021	Self from Saving	30,000.00		Cash Withdraw from own bank account with Baroda Rajasthan Kshetriya Gramin Bank	-	-	30,000.00	-				
6	14/06/2021	(Ram Maya Devi) Mother through bearer cheque of her bank account	375,000.00	375,000.00	(Ram Maya Devi) Mother bank account 4283 with Baroda Rajasthan Kshetriya Gramin Bank	14/06/2021	Gift	375,000.00	Closure Proceeds of FDR in name mother of Ram Maya Devi	14/06/2021	POST OFFICE A/c. 71068	CASH DEPOSIT	375,000.00
7	14/07/2021	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	265,000.00	265,000.00	(Madan Lal Garg)Father bank account 3169 with Baroda Rajasthan Kshetriya Gramin Bank	14/07/2021	Gift	265,000.00	Closure Proceeds of FDR in name of Father Madan Lal Garg credited in his bank account	14/07/2021	POST OFFICE A/c. 71068	CASH DEPOSIT	265,000.00
8	14/10/2021	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	320,000.00	320,000.00	(Madan Lal Garg)Father bank account 3169 with Baroda Rajasthan Kshetriya Gramin Bank	11/10/2021	Gift	960,000.00	Closure Proceeds of FDR in name of Father Madan Lal Garg credited in his bank account	14/10/2021	POST OFFICE A/c. 71068	CASH DEPOSIT	320,000.00

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SUNIL KUMAR GARG AY 2022-23. IT APPEAL NO. ITA 1807/JPR/2025 BEFORE THE HON'BLE TRIBUNAL

CHART IN TABULAR AND EXTENDED FORM INTER-ALIA SHOWING SOURCE OF FUND IN THE HANDS OF THE ASSESSEE AS WELL AS IN THE HANDS OF THE DONER/FUND GIVER

Sr. No.	Date	Immediate source of Cash Received for Deposit in Post Office	Amount	Total Cash in Hand for deposit in Post Office	Source of Fund	Date of Receipt	Nature	Amount	Source of Funds in the hand of donor/fund giver	Date of Utilization	Cash Utilize Where	Nature of Utilization	Amount of Cash Utilized
9	21/02/2022	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	500,000.00	510,000.00	(Madan Lal Garg)Father bank account 3169 with Baroda Rajasthan Kshetriya Gramin Bank	19/02/2022	Gift	1,010,000.00	Closure Proceeds of FDR in name of Father Madan Lal Garg credited in his bank account	21/02/2022	POST OFFICE A/c. 71068	CASH DEPOSIT	510,000.00
10	21/02/2022	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	10,000.00										
11	03/03/2022	Cash Withdrawal from own bank account 4248 with Baroda Rajasthan Kshetriya Gramin Bank	150,000.00	150,000.00	(Madan Lal Garg)Father bank account 3169 with Baroda Rajasthan Kshetriya Gramin Bank	03/03/2022	Gift	145,000.00	Closure Proceeds of FDR in name of Father Madan Lal Garg credited in his bank account	03/03/2022	POST OFFICE A/c. 71068	CASH DEPOSIT	150,000.00
					Cash Withdraw from own bank account with Baroda Rajasthan Kshetriya Gramin Bank	-	-	5,000.00	-				
				3,140,000.00									3,140,000.00

8. Copy of the bank accounts of the assessee's mother and father, his own bank account in which the gifts received from father and mother were deposited and also copy of the post office savings bank account where cash of Rs.31,40,000/- was deposited after withdrawing from his Gramin Bank Account were filed before me at paper book page No.7 to 31.

9. Ld. Counsel for the assessee contended that having so explained the source of cash deposited in his post office savings bank account, the explanation was rejected by the AO and the Ld. CIT(A) only for the reason that it appeared unreasonable to withdraw cash from one account and deposit the same in the account of another person when the amounts could be transferred through cheques or any other mode. He drew my

attention to the findings of the Ld. AO in this regard at page 16 of his order as under:-

> ……
> *In support of cash deposit to the tune of Rs. 31,40,000/-, the assessee has submitted only copies of post office statements of his father, mother and Smt. Vandana in which some cash withdrawal is appearing. However, it is observed from the post office statements of above persons that the accounts of these persons also credited with the cash. Hence, it cannot be presumed that the cash deposited in assessee's bank account is out of the cash withdrawal from the post office account of the above person. Further, it is appears to be unreasonable to withdraw cash from one account to deposit the same in the account of anotherpersons when the fund can be transferred through cheques or any other mode.*
> …….

10. He drew my attention to the findings of the Ld. CIT(A) at para 5.1.2 of his order as under:-

> ……
> *5.1.2 With respect to cash deposits of Rs. 31,40,000/-, no submission on merits has been made by the appellant during the appeal proceedings despite having provided with ample opportunities. The appellant has failed to explain the source of the credits/cash deposits in his bank account. Based on material available on record and gathered during the assessment proceedings the AO has passed the assessment order considering all facts and circumstances of the case. No details, documents or explanations have been provided by the appellant to come to any conclusion other than those arrived at by the AO in the assessment order. During the appellate proceedings, the appellant was given opportunities to put forth and explain his case, but the appellant did not submit any response despite service of notice(s). Considering the facts and circumstances as stated and discussed in the preceding paragraphs, no interference with the assessment order of the AO is called for. The appellate proceedings cannot be allowed to be held back because of non-compliance of notices. The onus of pursuing with the appeal is the responsibility of the appellant. The appellant has failed to substantiate his own ground of appeal and the transactions. Therefore, no infirmity has been found in the action of the AO in adding the unexplained cash deposits of Rs. 31,40,000/-. Consequently, ground of appeal 1 is hereby dismissed.*
> ……..

11. He pleaded that in light of voluminous evidences filed by the assessee for the source of cash deposited, the explanation could not have been rejected for the reason that it was unreasonable to believe that the

explanation, particularly when no infirmity was found by the authorities below in the explanation furnished by the assessee.

12. Ld. DR however, relied on the findings of the AO and the Ld. CIT(A).

13. Having heard the contentions of both the parties, I find merit in the contention of the Ld. Counsel for the assessee that the source of cash deposited in the bank account of the assessee to the tune of Rs.31,40,000/- had been duly explained as sourced from gifts received from his father and mother. The assessee has supported his explanation with the necessary evidences showing the entry of gifts given by his parents through banking channels by submitting their bank accounts and also bank account of the assessee showing receipt of said gifts. He has also demonstrated the withdrawal of amount of gifts received in cash from his bank account and the subsequent deposit of the same in his post office savings bank account immediately thereafter.

14. The facts pointed out by the Ld. Counsel for the assessee explaining the entire trail of money received by the assessee from his parents to one of his bank accounts from which he withdrew cash and deposited in his post office savings bank account has not been disputed by the Revenue. They have rejected the explanation only on account of unreasonableness, contending that cheques could have been directly deposited in the post office savings bank account of the assessee etc.

15. Having not disputed the facts pointed out by the assessee before me, explaining the entire trail of cash deposited in the post office savings bank account, I do not find any merit in the order of the Authorities below

rejecting assessee's explanation on the mere ground of unreasonableness that too when the unreasonableness in the explanation is not perverse enough to unsettle the facts pointed out by the Ld. Counsel for the assessee to the Authorities Below. The assessee has demonstrated the cash withdrawn from his bank account to have been deposited immediately thereafter in his post office savings bank account. The Revenue does not dispute this fact. It is also not the case of the Revenue that the cash withdrawn by the assessee from his bank account has been utilized elsewhere.

16. In the light of the same, I see no reason for rejecting the assessee's explanation of the source of cash deposited in his bank account. The order of theLd.CIT(A) treating the cash deposited in his bank account as unexplained therefore is set aside. The addition made to the income of the assessee of Rs.31,40,000/- is deleted.

17. In effect, the appeal of the assessee is **allowed.**

Order pronounced in the Open Court on 15.09.2026

Sd/-
(Annapurna Gupta)
ACCOUNTANT MEMBER

Dated 15.09.2026
Mittali, Sr. PS
Copy forwarded to:

1. Appellant
2. Respondent
3. CIT

4. CIT(Appeals)
5. DR: ITAT

By Order,

Asst. Registrar
ITAT, Jaipur