

IN THE INCOME TAX APPELLATE TRIBUNAL

AHMEDABAD “SMC” BENCH

**(BEFORE SHRI PRADIP KUMAR KEDIA, ACCOUNTANT
MEMBER & SHRI MAHAVIR PRASAD, JUDICIAL MEMBER)**

**ITA. No: 196/AHD/2018
(Assessment Year: 2013-14)**

Standard Poly House (India) Plot No. 828, Nr. Vijay Marble, Kothari Char Rasta, At: Sanetej, Tal: Kalol, Dist. Gandhinagar	V/S	ITO, Ward-4, Mehsana
(Appellant)		(Respondent)

PAN: ABQFS1667N

**Appellant by : Shri Mehul Thakkar, A.R.
Respondent by : Shri Vinod Tanwani, Sr. D.R.**

(आदेश)/ORDER

Date of hearing : 05 -09-2019
Date of Pronouncement : 21 -11-2019

PER MAHAVIR PRASAD, JUDICIAL MEMBER

1. This appeal filed by the Assessee is directed against the order of the Ld. CIT(A), Gandhinagar, Ahmedabad dated 13.11.2017 pertaining to A.Y. 2013-14 and assessee has taken solitary following ground:

1 . Both the Ld. AO Ld. as well the CIT(A) has erred in making addition made by the AO of Rs. 9,45, 273/-of the Act, 1961 and the Ld. CIT(A) has also erred in confirming the same even though it was brought to notice that the cash was directly deposited by the customers into bank from the outside city and Gujarat state towards sales made by them. The appellant firm accounts such direct cash deposit in to the bank by the crediting the customer's account in its books of account.

2. The appellant craves leave to add, alter or delete any ground either before or in the course of hearing of the appeal.

2. The Facts of the case are that the appellant is a registered firm and earning income from manufacturing of PVC pipes and has filed the return of income on 29.09.2013 for Rs. NIL. The A.O. passed the assessment order u/s. 143(3) of the Act on 28.03.2016 making the addition of Rs. 9,45,273/- towards cash deposited in the bank directly by the Customers on the ground that the cash deposited has not been routed through cash book.
3. Thereafter assessee filed first statutory appeal before the ld. CIT(A) and furnished copies of the ledger accounts of various parties who had deposited the said cash amounts directly in to appellant's firm bank account but the ld. CIT(A) has not appreciated the fact and submission made by the appellant before him and she confirmed action of ld. A.O.
4. Now assessee has come before us by way of filing second statutory appeal.
5. We have gone through the relevant and impugned order and heard both the parties. As we can see that cash amounting to Rs. 9,45,273/- was directed deposited by the Customer in to bank account of the assessee from the outside

city and Gujarat State towards sales made by them. In the current year assessee has total turnover/gross receipts are of Rs. 64746506/- and gross profit is of Rs. 14639014/-. The assessee is in the business of manufacturing as compare to its gross receipts an amount of cash deposit of Rs. 945273/- and same is small amount and in business such cash deposits are reckoned to be normal incident. The assessee firm accordingly credited the customers account in cash by depositing the bank account and credit customers account. Thus, we give benefit of doubts to the assessee. The appeal of the assessee is allowed.

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

Order pronounced in Open Court on	21 - 11- 2019
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Sd/-

(PRADIP KUMAR KEDIA)
ACCOUNTANT MEMBER **True Copy**
Ahmedabad: Dated 21 /11/2019

Sd/-

(MAHAVIR PRASAD)
JUDICIAL MEMBER

Rajesh

Copy of the Order forwarded to:-

1. The Appellant.
2. The Respondent.
3. The CIT (Appeals) –
4. The CIT concerned.
5. The DR., ITAT, Ahmedabad.
6. Guard File.

By ORDER

Deputy/Asstt.Registrar
ITAT,Ahmedabad