

आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर  
**IN THE INCOME TAX APPELLATE TRIBUNAL  
INDORE BENCH, INDORE**

**BEFORE SHRI VIJAY PAL RAO, JUDICIAL MEMBER**  
**AND**  
**SHRI B.M. BIYANI, ACCOUNTANT MEMBER**

**ITA No.53/Ind/2022**  
**(Assessment Year:2017-18)**

Saroj Jain 11- Ramkrishnagang Khandwa	vs.	ITO-1 Khandwa
(Appellant / Assessee)		(Respondent/ Revenue)
<b>PAN: AJSPJ1906 H</b>		
Assessee by	Shri Deepak Mantri, AR	
Revenue by	Shri Ashish Porwal, Sr. DR	
Date of Hearing	17.04.2023	
Date of Pronouncement	20.04.2023	

**ORDER**

**Per Vijay Pal Rao, JM:**

This appeal by the assessee is directed against the order dated 29.07.2016 of Ld. Commissioner of Income Tax (Appeals) (in short Ld. CIT(A), National Facelless Appeal Centre, Delhi for Assessment Year 2017-18. The assessee has raised following ground of appeal:

- 1. The facts and circumstances of the case, the ld. CIT(A) has erred in confirming action of Ld. Assessing Officer of making addition of Rs.7,00,000/- being unexplained money of the appellant.*
2. The solitary issue raised by the assessee is against the confirmation of the addition made by the Ld. CIT(A) in respect of Rs.7,00,000/- deposited in the bank account during the demonetization period. The assessee is an individual and filed return of income on 07.08.2017 declaring total income of Rs.3,72,440/- after claiming deduction under

chapter VIA of Rs.10,000/-. The Ld. AO noted that during the demonetization period the assessee deposited demonetized currency notes of the denomination of Rs.1000/- and Rs.500/- total amounting to Rs. 7,00,000/- in her bank account with UCO Bank, Khandwa, on 10.11.2016. The AO asked the assessee to explained the source of deposit of Rs.7,00,000/- in the demonetized currency not of Rs.1000/- and Rs.500/-. The assessee in her reply to show cause notice explained that she has received this amount from her debtors as recovery of the advances given by the assessee. The AO was not satisfied with the reply of the assessee as the assessee did not furnish complete particulars of the persons from whom the alleged amount was received by the assessee. Accordingly, the AO made an addition of Rs.7,00,000/- to the total income of the assessee. Before the Ld. CIT(A) the assessee taken the same stand that this amount was received from debtors and was deposited in the bank account. The Ld. CIT(A) was not impressed with the reply of the assessee as the assessee did not furnish the complete address of the debtors. Accordingly, the Ld. CIT(A) confirmed the addition made by the AO on this account.

3. Before the Tribunal Ld. AR of the assessee reiterated his contention as raised before the Ld. CIT(A) and submitted that the assessee has explained the source of cash deposit a recovery from the debtors. He has further submitted that in the return of income for A.Y.2016-17 filed on 30<sup>th</sup> July 2016 the assessee has shown the advances recoverable of Rs. 7,00,000/- . In support of his contention Ld. AR has heavily relied by the return of income for A.Y.2017-18 vide acknowledgment dated 30<sup>th</sup> July 2016.

4. On the other hand, Ld. DR has submitted that the assessee has not filed even the full details of alleged debtors from whom amount was received as well as any confirmation regarding the transaction of repayment of the advances. He has relied upon the order of the authorities below.

5. We have considered rival submission as well as relevant material on record. There is no dispute that the assessee has deposited Rs.7,00,000/- on 10.11.2016 comprising old demonetized currency notes of denomination of Rs.1000/- and Rs.500/-. The assessee explained the source of these deposit as recovery from debtors and furnished certain names however the assessee did not furnish the complete details i.e. address and PAN No. of these debtors. The assessee has also not furnished the confirmation from these persons regarding recovery of the outstanding during this period which was claimed to have been deposited by the assessee in the bank account on 10.11.2016.

6. Ld. AR has relied upon the return of income for A.Y.2016-17 filed on 30<sup>th</sup> July 2016 and submitted that the assessee has declared advances receivable of Rs.7,00,000/- in the said return of income. It is pertinent to note that this return of income was neither produced before Ld. AO nor was considered by the Ld. CIT(A) while passing impugned order. Therefore, the details of the return of income for the A.Y.2016-17 are required to be verified at the level of the AO to ascertain the correct facts as claimed by the assessee. Accordingly, in the facts and circumstances of the case and in the interest of justice the impugned order of the Ld. CIT(A) is set aside and the matter is remanded back to the record of the Ld. AO for proper verification and examination of the facts from the return of income filed by the assessee for A.Y.2016-17 and then decided this issue afresh after giving opportunity of hearing to the assessee.

7. In the result, appeal of assessee is allowed for statistical purposes.

Order pronounced in the open court on 20.04.2023.

**Sd/-**

**(B.M. BIYANI)**  
Accountant Member

**Indore, 20.04.2023**  
**Patel/Sr. PS**

**Sd/-**

**(VIJAY PAL RAO)**  
Judicial Member

Copies to: (1) *The appellant*  
(2) *The respondent*  
(3) *CIT*  
(4) *CIT(A)*  
(5) *Departmental Representative*  
(6) *Guard File*

*By order*

*Sr. Private Secretary*  
*Income Tax Appellate Tribunal*  
*Indore Bench, Indore*