

| आयकर अपीलीय अधिकरण न्यायपीठ, कोलकाता |
IN THE INCOME TAX APPELLATE TRIBUNAL
"A" BENCH, KOLKATA

BEFORE SHRI SANJAY GARG, HON'BLE JUDICIAL MEMBER
&
DR. MANISH BORAD, HON'BLE ACCOUNTANT MEMBER

I.T.A. No. 514/Kol/2022
Assessment Year: 2017-18

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| Rajesh Puria Techmec Electronics Police Temple Building Aberdeen Bazar Port Blair Andaman and Nicobar Islan UT Pincode - 744101 [PAN : AFIPP0347J] | Vs | Deputy Commissioner of Income Tax, Circle-3(2), Port Blair |
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| अपीलार्थी/ (Appellant) | | प्रत्यर्थी/ (Respondent) |
|------------------------|--|--------------------------|

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| Assessee by : | Shri Akkal Dudhewala, A.R. |
| Revenue by : | Shri P.P. Barman, Addl. CIT Sr. D/R |

सुनवाई की तारीख/Date of Hearing : 24/05/2023
घोषणा की तारीख /Date of Pronouncement: 06/06/2023

आदेश/ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

This is the appeal preferred by the assessee against the order of the National Faceless Appeal Centre (NFAC), Delhi (hereinafter referred to as the Id. CIT(A)"), passed u/s 250 of the Income-tax Act, 1961 (hereinafter the 'Act'), dated 22/06/2022 for the Assessment Year 2017-18.

2. The Registry has pointed out that there is a delay of nineteen (19) days in filing of this appeal in time before the Tribunal. The assessee has filed a petition for condonation of delay stating the reasons of delay. After perusing the same, we find that the assessee was prevented by sufficient cause from filing the appeal in time before the Tribunal. Hence, the delay is condoned and the appeal is admitted.

3. The only issue for our consideration is whether the Id. CIT(A) was justified in confirming the disallowance u/s 69A of the Act (unexplained money) at Rs. 8,30,000/-.

4. We have heard rival contentions and perused the material placed before us and also gone through the paper book filed by the assessee containing 30 pages.

5. We note that the assessee is a distributor for Samsung products in Andaman & Nicobar Islands and also operates a Samsung showroom under the sole proprietorship concern, namely, Techmech Electronics. For the year under consideration, assessee declared income of Rs.69,72,970/- in the e-return filed on 01/11/2017 for Assessment Year 2017-18. Subsequent to the selection for scrutiny through CASS, notice u/s 143(2) & 142(1) of the Act was duly served upon the assessee. The Id. Assessing Officer called for the details of bank account and noticed that there was huge cash deposited during the demonitization period i.e., 09/11/2016 to 30/12/2019. However, after examining the details, the Id. Assessing Officer was not satisfied with the explanation regarding cash deposit of Rs.8,30,000/- in the following bank accounts:-

| <i>Bank & Branch Name</i> | <i>Account No.</i> | <i>Amount of demonetized notes (in Rs.)</i> |
|--------------------------------------|----------------------|---|
| <i>Canara Bank Port Blair Branch</i> | <i>1185201002184</i> | <i>Rs.5,90,000/-</i> |
| <i>SBI Port Blair Branch</i> | <i>10605091385</i> | <i>Rs.2,40,000/-</i> |
| | <i>Total</i> | <i>Rs.8,30,000/-</i> |

6. Further, we note that the Id. CIT(A) in absence of proper explanation for the nature and source of cash deposited, confirmed the addition. Before us, so far as the cash deposit with the SBI Port Blair Branch account at Rs.2,40,000/- is concerned, Id. Counsel for the assessee has drawn our attention to the certificate issued by the SBI Port Blair Branch stating that the bank account no. 10605091385, does not belong to the assessee and it is a savings bank account in the name of a person, namely, Kadir Mohideen Abdul Kani. This certificate is dated 15th April, 2023 and the same has been obtained by the assessee.

6.1. The Id. D/R failed to controvert this fact and, therefore, so far as the issue regarding deposit of Rs.2,40,000/- in the SBI Port Blair branch is concerned, the addition for unexplained money is uncalled for.

7. Now, as far as the remaining amount of Rs.5,90,000/- is concerned, we notice that in this bank account held by the assessee, during the demonetization period from 09/11/2016 to 30/12/2019, there was total cash deposit of Rs. 1,46,72,610/- but the Id. Assessing Officer has made addition only for Rs.5,90,000/- being old notes of Rs.1,000/- & 500/- (SBN). We notice that the assessee has made cash sales to the tune of Rs.16.59 Crores, during the year under consideration. We also notice from the paper book page 10 that during the year, cash inflow and outflow is almost around Rs.21.17 Crores, debit and Rs.21.18 Crores, credit. The assessee is receiving cash regularly and it is not the case of the revenue that there was a negative cash as on the date of deposit. We, therefore, considering the turnover and cash sales during the year, availability of cash in hand as per the cash book, fail to find any reason to doubt the genuineness of the alleged cash deposit of Rs.5,90,000/-. We further find force from the fact that out of the total cash

deposit in the various bank accounts held with Canara Bank during the demonetization period at Rs.2.06 Crores, ld. Assessing Officer has doubted only regarding Rs.5,90,000/-, that too for the reason that they were specified bank notes (SBN). Looking into the fact that the assessee regularly deals in cash sales, one cannot deny that the assessee possessed the currency notes in the denomination of Rs.1000/- & Rs.500/-. Therefore, as far as the source of the said sum is explained, we do not find any reason to sustain the addition u/s 69A of the Act for unexplained money. Accordingly, the finding of the ld. CIT(A) is reversed and the addition u/s 69A of the Act is deleted.

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

Order pronounced in the Court on 6th June, 2023 at Kolkata.

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

Kolkata, Dated 06/06/2023

SC S.P.

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण, कोलकाता/DR,ITAT, Kolkata,
6. गार्ड फाई/ Guard file.

आदेशानुसार/ BY ORDER,
TRUE COPY

Assistant Registrar
आयकर अपीलीय अधिकरण
ITAT, Kolkata