

**आयकर अपीलीय अधिकरण, सुरत न्यायपीठ, सुरत**  
IN THE INCOME TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT  
BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER AND  
Dr ARJUN LAL SAINI, ACCOUNTANT MEMBER

**आ.अ.सं./ITA No.75/SRT/2023 (AY 2017-18)**

(Hearing in Virtual Court)

Asstt. Commissioner of Income-tax, Central Circle-3, Surat, Room No. 507, 5 <sup>th</sup> Floor, Aaykar Bhavan, Majura Gate, Surat-395001	Vs	M/s V Square Project 206, 2 <sup>nd</sup> Floor, Shanti Arcade, 132FT Ring Road, Ahmedabad-380013 <b>PAN No. AAIFV 1955 B</b>
<b>अपीलार्थी</b> /Appellant		<b>प्रत्यर्थी</b> /Respondent

निर्धारिती की ओर से /Assessee by	Shri Saurabh Soparkar, Sr. Advocate with Urvashi Shodhan Advocate & Parin Shah, C.A
राजस्व की ओर से /Revenue by	Shri Airiju Jaikaran, CIT-DR
अपील पंजीकरण/Appeal instituted on	02.02.2023
सुनवाई की तारीख/Date of hearing	25.09.2023
उद्घोषणा की तारीख/Date of pronouncement	23.10.2023

**Order under section 254(1) of Income Tax Act**

**PER PAWAN SINGH, JUDICIAL MEMBER:**

1. This appeal by Revenue is directed against the order of Ld. Commissioner of Income tax (Appeals)-4, Surat [for short to as “Ld. CIT(A)”] dated 10.11.2022 for the assessment year 2017-18, which in turn arises out of assessment order passed by Asstt. Commissioner of Income-tax, Central Circle-3 Surat / Assessing Officer under section 143(3) of Income Tax Act, 1961 (hereinafter referred to as ‘the Act’ for the sake of brevity) on 13.12.2019. The Revenue has raised following grounds of appeal:

*“1. On the facts and in the circumstances of the case and in law, the CIT(A) has erred in deleting the addition made u/s 68 of the I.T. Act of Rs.3,48,50,000/- without appreciating the facts that the assessee has*

*totally failed to discharge its onus to prove identity of the customers, genuineness of transactions and creditworthiness of the customers from whom the amount is claimed to be received in cash during the year.*

*2. On the facts and circumstances of the case and in law, the CIT(A) has erred in deleting the addition made u/s 68 of the I.T. Act of Rs.81,87,359/- without appreciating the facts that the assessee has totally failed to discharge its onus to prove identity of the customers, genuineness of transactions and creditworthiness of the customers.*

*3. On the facts and circumstances of the case and in law, the CIT(A) has erred in accepting the fabricated submission of the assessee that the source of cash deposited in bank account is out of the cash withdrawal of Rs.3,01,70,000/- from the bank account despite the facts that the assessee firm have claimed to be received cash of Rs.3,65,12,359/- during the year and the actual cash payment for expenses was Rs.62,94,331/- only and hence there was no reason to withdraw the cash from bank.*

*4. On the facts and circumstances of the case and in law, the CIT(A) has erred in holding that the addition of Rs.3,48,50,000/- and Rs.81,87,359/- which are part of the reimbursement.*

*5. Without prejudice to grounds No.1 to 2 above, on the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in holding that the additions amount are part of the reimbursement of expenses received which is accounted as income in the books despite there being no facts emerging in relation to cash deposits.*

*6. Without prejudice to grounds No.1 to 2 above, on the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition made u/s 68 of the I.T. Act despite the facts that the assessee has not submitted any supporting evidence regarding cash credit and the assessee has failed to establish he identity, creditworthiness and genuineness of the transactions in respect of loans.*

*7. On the facts and circumstances of the case and in law, the Ld. CIT(A) erred in deleting the addition made by the Assessing Office ignoring the principles of "Human Probability Test" i.e., preponderance of probabilities which is applicable for Income Tax proceedings.*

*8. It is, therefore, prayed that the order the Ld. CIT(A) may be set aside and that of the AO may be restored to the above extent.”*

2. Brief facts of the case are that assessee is a partnership firm, engaged in the business of real estate, construction & development of the properties. The assessee filed its return of income for assessment year 2017-18 on 29.10.2017 declaring income of Rs.9,46,440/-. The case was selected for scrutiny. During assessment, Assessing Officer noted that assessee has made cash deposits of Rs.3.48 crores in its bank account maintained in Corporation Bank. The assessee was asked to explain such source of cash with supporting documentary evidence. In response to such show cause, assessee filed its reply dated 05.12.2019, the contents of assessee's reply was extracted in para-5 of assessment order. The assessee in its reply submitted the details statement of buyers / persons who have made bookings and from whom assessee has received cash during the year in respect of reimbursement of expenses for Ahmedabad Electricity Company (AEC), Ahmedabad Urban Development Authority (AUDA), Legal charges and Service Tax expenses. Such details were furnished by assessee in the form of Annexure-A. The assessee submitted that the amount received from members which are reflected in the cash book furnished with submission dated 25.11.2019 for total amount of Rs.2.94 crores towards service tax expense received during the year which is also offered by assessee in its profit and loss account. The assessee also furnished copy of agreement (Kabulat no Lekh) with the parties to substantiate that the parties had paid such amount towards various expenses. The assessee also furnished receipt

of payments issued by assessee to various members. On the basis of such contention and evidence, the assessee submitted that they have furnished the source of deposit and in case required further details of expenses, the assessee will submit as early as possible.

3. The submission of assessee was not accepted by Assessing Officer. The Assessing Officer noted that assessee made deposit of Rs.3.48 crores in its bank account. The assessee furnished details of 53 buyers (parties) from whom cash received. Ongoing through such details, the Assessing Officer was of the view that total expenses of Rs.2.94 crores and service tax of Rs.63,09,104/-was received by assessee. The details of such receipt extracted by Assessing Office on pages 4 to 11 of the assessment order. The Assessing Officer further noted that assessee has furnished agreement (Kabulat No. Lekh) with 9 parties with their name, which was referred on page-12 of the assessment order. The Assessing Officer further noted that in the agreement (Kabulat No Lekh) *nowhere* mentioned that what amount was paid and what was in consideration thereof. The Assessing Officer further recorded that assessee simply stated that cash of Rs.72.00 lakh was withdrawn and rest of the amount of Rs.2.76 crores was received as recoverable of all expenses on account of electricity / legal expenses and maintenance expenses which implies that assessee has made expenses before on behalf of stakeholder and subsequently recovered from them. The assessee has not furnished date-wise, name-wise that who has given such amount and no supporting evidence furnished. The agreement (Kabulat No Lekh) furnished by assessee is not registered and simply written on stamp

paper. The Assessing Officer on the basis of his observation treated as unexplained cash deposit of Rs.3.48 crores and added under section 68 of the Act. The assessing officer further held that on verification of the details furnished by the assessee, he found that assessee has received cash of Rs 3,57,87,359/- from 53 buyers. Thus, remaining amount of Rs. 81,87,359/- ( $3,57,87,359 - 2,76,00,000 = 81,87,359$ ) is also disallowed under section 68 as unexplained cash credit. As Rs. 2,76,00,00/- is already disallowed by him.

4. Aggrieved by the additions, the assessee filed appeal before CIT(A). Before Id. CIT(A) the assessee filed detailed written submission. The submission of assessee is recorded in para-6.1 of the order of Ld. CIT(A). In the written submission, the assessee submitted that they had undertaken a construction project of bungalows namely “Vedant Kadam” at opposite Sentosa Green Land, S.P. Ring Road, Auganaj Village, Ahmedabad. The assessee explained that during assessment, assessee submitted date-wise cash book along with letter dated 25.11.2019, copy of which was furnished. As per summary of cash book, the assessee was having cash-in-hand of R.10,295/- as on 01.04.2016; Rs.7,24,000/- was received from partners; Rs.3,57,87,359/- was received from members (customers) for AEC, AUDA, Electricity, legal and Service tax etc., the assessee made withdrawal from bank of Rs.3,01,70,000/-. Thus there was total cash of Rs.6.66 crores available with the assessee. The assessee also explained the outflow cash as deposited from 01.04.2016 to 08.11.2016 of Rs.2.43 crores, from 09.11.2016 to 31.12.2016 of Rs.3.48 crores; cash expenses for various

payments of Rs.62,94,331/- and was having cash-in-hand balance as on 31.03.2017 of Rs.12,48,323/-. On the basis of such figures, the assessee has shown equal cash amount inflow and outflow cash amount. To support their submission, the assessee furnished confirmation of accounts of partner's bank statement and their submission. In support of receipt of cash from members of Rs.3.57 crores the assessee furnished name of parties, PAN, account receipt, agreement (Kabulat No Lekh) receipt issued to the members and cash book. The assessee also furnished details of deposit before demonetization period as well as during post demonetization period. The assessee also furnished details of AUDA charge, which was paid on account of betterment charges of Rs.2.32 crores, electricity estimate and expenses of Rs.52.26 lakh, payment to AMC for betterment charges of Rs.31.65 lakh and legal expenses of Rs.3.94 lakh. Thus, total recovered expenses from members to Rs.3.18 crores and recoverable towards service tax of Rs.1.65 crores. Copy of all ledger account were furnished. The assessee further explained that Rs.6,00,000/- per member from 53 members were credited to sale account / expenses account in the profit and loss account and such details were also furnished by assessee. The assessee submitted that all such details filed before Assessing Officer and were again furnished before Ld. CIT(A). The assessee further submitted that amount recovered from members have been credited to respective expenses head / income and thus offered as "income" as against said expenses. The assessee claimed that undisputedly the amount recovered and not cash credit but part of sales made being an

amount reimbursed by members which was also taxed by Assessing Officer by accepting the said accounts.

5. The assessee further submitted that they executed two separate agreements (Kabulat No Lekh) with the buyers *i.e.*, land agreement and construction agreement. Under second agreement of construction with the members, the project has been undertaken to pay in addition to the cost of land and construction regarding amount towards AEC/AUDA charges, stamp and registration fees, service tax, VAT as per clause 16 of agreement (Kabulat No Lekh), copies of which were furnished. The assessee also explained that from 5 buyers the assessee has received all such charges by way of cheques aggregating amount of Rs.30 lakhs and Rs.60,65,042/- by way of cheque from 18 parties towards service tax. To prove the genuineness of such transaction, as per terms and condition of agreement (Kabulat No Lehi). The assessee also replied various observation of Assessing Officer in tabulated form. The assessee further submitted that Assessing Officer made addition of Rs.72.00 lakh along with Rs.2.76 crores by ignoring the fact that deposited in the bank account for which question was raised during assessment proceedings. The assessee not only explained the basis of recovery made from the members but also out of withdrawal from very same bank account. Once the bank / transaction is audited books of account were not rejected and documentary evidence in the form of bank statement, were verifiable the withdrawal of Rs.72 lakhs was mentioned in the cash book has also shown in the bank statement and thus there was no valid reason for making such addition. The assessee submitted that they have furnished

complete explanation with documents to substantiate its stand. Once the assessee satisfactorily explained regarding nature and source of such credited in their books of account, onus discharged fully by assessee and onus was shifted on the Assessing Office to make inquiry and not to reject the explanation arbitrarily without any examination on the evidence and the audited accounts furnished by assessee, which were otherwise not proved to be fabricated as baldly alleged.

6. To support such view, the assessee relied upon the various case law of Hon'ble Apex Court in the case of CIT vs. Orissa Corporation (P.) Ltd. [1986] 159 ITR 78/25 Taxman 80F(SC) and judgment of Hon'ble jurisdictional High Court in the case of CIT vs. Ranchhod Jivabhai Nakhava 208 Taxman 35 (Guj); judgment of Hon'ble Bombay High Court in the case of CIT vs. Bhaichand N Gandhi 141 ITR 67 (Bom).
7. The assessee further stated that once the amount of receipts was credited as "income", there is no justification for making addition of the same amount under the provisions of section 68 otherwise it amounts to double taxation. To support such view, assessee relied the case law of Hon'ble jurisdictional High Court in the case of CIT vs. Vishal Exports Overseas Ltd. in Tax Appeal Nos.2471/2009 and 2477 of 2009 and Co-ordinate Benches of Ahmedabad in the case of ACIT vs. M/s Western Ship Breaking Corporation in ITA No.694 & 105/AHD/2009 and ITAT Delhi Tribunal in the case of Kishore Jerambhai Khaniya vs. ITO in ITA No.1220/Del/2011 and ITAT Hyderabad Benches in the case of S.B. Steel Industries vs. ITO in ITA No.264/Hyd/2011 where assessee also objected against taxing the addition 115BBE.

8. The Ld. CIT(A) after considering the contents of assessment order and the submission of assessee recorded that assessee undertaken 53 bungalows project in the name of Vedant Kadam at Ahmedabad. The assessee entered into two types of agreements with the buyers. First agreement is for plot of land of different size which was registered with Sub-Registrar and second agreement for construction of bungalows on the said plots of land, which was notarized. Thus, each buyer of the bungalow had entered into two agreements with assessee. In second agreement, clause-16 deals with the payment of charges to Ahmedabad Electricity Company (AEC), Ahmedabad Urban Development Authority (AUDA), service tax / VAT, legal charges, stamp duty registration fee to be borne by the purchasers / buyers. The assessee made lump sum payments of all those charges to various authorities, which was shown in the books of account maintained by assessee. The purchasers / buyers had reimbursed the said charges to assessee, out of 53 buyers, 47 buyers have reimbursed these charges in cash to assessee and remaining 6 buyers reimbursed these charges by way of cheque. So far as reimbursement of service tax is concerned 35 buyers had reimbursed in cash and 18 buyers reimbursed by way of cheque payment. The reimbursement was made in cash in 3/4 instalments aggregating to Rs.6.00 lakh per bungalow. All reimbursements expenses incurred were offered as receipt in the profit and loss account of assessee.
9. The Ld. CIT(A) find that total receipt in the profit and loss account was shown at Rs.12.43 crores and such receipts include as reimbursement receipt from buyers of the bungalows of Rs.3.94 lakhs towards legal

expenses of Rs.2.32 crores; towards AUDA and betterment charges of Rs.50.26 lakhs paid to Uttar Gujarat Vij Co. Ltd. for electricity deposits; Rs.83.02 lakhs paid to Service Tax Department and Rs.31.65 lakh being betterment charges paid to Ahmedabad Municipal Corporation. The first four receipts credited to sales account / service tax collection and last receipt was credited to Ahmedabad Municipal Corporation. Thus, entire amount received by assessee towards reimbursement of various charges offered in profit and loss account also. The Ld. CIT(A) also extracted summary of cash inflow as well as cash outflow showing equal amount of Rs.6.66 crores on both side reproduced below:

Summary of cash book

Cash inflow (receipt)	Amt.Rs.	Cash outflow (payment)	Amt.Rs.
Opening cash on hand on 01.04.2016	10,295		
Receipt from partners	7,25,000		
Receipt from members towards the AEC/AUDA/Electricity/legal/service tax etc.	3,57,87,359	Cash deposited in bank (i) from 01.04.16 to 08,11,16 (ii) from 09.11.16 to 31.12.16 (iii) from 01.01.17 to 31.03.17	2,43,00,000 3,48,50,000 0
Withdrawal from bank	3,01,70,000	Cash expenses/payments	62,94,331
		Closing cash on hand on 31.03.17	12,48,323
Total Rs.	6,66,92,654	Total Rs.	6,66,92,654

10. On the aforesaid tabulation, the ld CIT(A) held that the assessee received cash from buyers of Rs.3.57 crores and withdrawal of Rs.3.01 crores. At the same time, the assessee made deposit of Rs.5.91 crores in its bank account, out of which Rs.2.43 crores prior to demonetization period and remaining of Rs.3.48 crores during post demonetization period. The Ld. CIT(A) further held that when the amount of reimbursement of expense receivable by the assessee as per agreement

with the buyers as the same amount was received and offered at received side shown in profit and loss account, the same cannot be brought to tax again by making further addition. The addition made by Assessing Officer in the hand of assessee is a double addition and accordingly both the additions of Rs.3.48 crores and Rs.81.87 lakh by taking view that it was a part of reimbursement expenses and accounted as "income" in the books of assessee cannot be again added as unexplained cash and deleted both the additions. Aggrieved by the order of Ld. CIT(A) the Revenue has filed present appeal before the Tribunal.

11. We have heard the submissions of Ld. Commissioner of Income Tax-Departmental-Representative (Ld. CIT-DR) for the Revenue and Ld. Senior Advocate assisted with briefing counsel and CA, hereinafter referred as Ld. Sr. Advocate) for the assessee. The ld CIT-DR for the Revenue submits that Assessing Officer while making addition in assessment order noted that assessee has made cash deposit during demonetization period of Rs.3.48 crores and on issuing show cause notice assessee submitted that such amount was received in cash from its customers on account of various charges for legal authorities, legal expense or service tax payment. The assessee has not given date-wise details and the cash received from various parities (customer). The assessee had made a general reply that cash received customer without specifying the specific date. In one of the case in Jigneshbhai D Patel mentioned in serial no. 41, the agreement (Kabulat No Lekh) was executed on 04.01.2017, and cash shown in cash book on 30.10.2016 and 02.11.2016 respectively, which was during demonetization period.

From such fact, it is clear that assessee has made all the accounts including cash book by fabricating all entries in assessee's unaccounted cash in its cash book on the pretext of customer expenses. No confirmation of cash receipt was furnished by assessee. The Ld. CIT-DR fully supported the order of Assessing Officer and prayed to reverse the findings of Ld. CIT(A) restoring the finding of Assessing Officer.

12. On the other hand, Ld. Sr-Counsel for the assessee supported the order of Ld. CIT(A) and submits that during the year prior to demonetization period, the assessee undertook development of housing project consisting of 53 bungalows at Ahmedabad. The assessee entered two types of the agreements with the buyers who have agreed for development of such units, one for development of plots and other for construction of bungalows. The assessee incurred various expenses for payment to various authorities for development charges, electricity expenses or municipal services. The assessee recovered such expenses from all 53 buyers @ Rs.6.00 lakh from each member. All the amounts were credited in profit and loss account, out of total amount of expenses for reimbursement, the assessee paid Rs.3.18 crores to AEC/AUDA charges, legal and Rs.1.65 crores for service tax and remaining amount was credited to profit and loss account by treating as revenue and offered to tax. The Ld. Sr-counsel submits that such receipt in profit and loss account was not disputed by the Assessing Officer. The assessee vide its reply dated 25.11.2017 furnished complete details consisting name, address, PAN of all the customers. The Assessing Officer has not made any verification from the customers. On furnishing details of all

the buyers, the Assessing Officer has not sought the details of various cash payments. The Assessing Officer doubted only deposit of cash and deposit of cash is regular feature with the assessee being in real estate business. The assessee has received cash from its customers as a regular feature and due to demonetization period, the assessee has no option except to deposit such cash (old currency note) with its bank. The special circumstances of accumulation of cash was explained to be Assessing Officer that such cash was received on account of AEC/AUDA/electricity reimbursement. The assessee explained that during financial year, the assessee has deposited total cash of Rs.5.91 crores and withdrawn Rs.3.01 crores. During demonetization period, the assessee withdrawn Rs.72.00 lakh from its Corporation Bank and which was again deposited. For balance of Rs.2.76 crores, the assessee explained that such amount was recovered from customers on account of AEC/AUDA and legal charges (Rs.72,00,000 + 2,76,50,000) was fully explained. To support his various submission, Ld. Sr-Counsel relied on the following case law:

- PCIT vs. Agson Global (P.) Ltd. [2022] 134 taxmann.com 256 (Del)
- Smt. Charu Aggarwal vs. DCIT [2022] 140 taxmann.com 588 (Chandigarh – Trib.)
- ACIT vs. Harapanna Jewellers [2021] 128 taxmann.com 291 (Viz – Trib.)
- Mahesh Kumar Gupta vs. ACIT [2023] 151 taxmann.com 339 (Jaipur – Trib.)
- Raj Kumar vs. ITO ITA No.195/Asr/2022 dated 11.04.2023
- Jet Freight Logistics Ltd. vs. CITA (NFAC) [2023] 146 taxmann.com 349 (Mum – Trib.)

- ACIT vs. Chandra Surana [2023] 149 taxmann.com 379 (Jaipur – Trib.)
- Shri Lovish Singhal vs. ITO ITA No.143/Jodh/2018 dated 25.05.2018
- CIT vs. Vishal Exports Overseas Ltd. Tax Appeal No.2471, 2473, 2475 & 2476 of 2009 dated 03.07.2012 Gujarat High Court

13. We have considered the rival submissions of both the parties and have gone through the order of lower authorities carefully. We have also gone through the orders of lower authorities carefully. We have also deliberated on the various submissions and the evidences filed before the lower authorities as well as various case laws relied by learned Senior Counsel for the assessee. The assessing officer made additions by taking view that in response to show cause to substantiate the cash deposit in the bank, the assessee simply stated that cash of Rs.72.00 lakh was withdrawn and rest of the amount of Rs.2.76 crores was received as recoverable of all expenses on account of electricity / legal expenses and maintenance expenses which implies that assessee has made expenses before on behalf of stakeholder and subsequently recovered from them. No date-wise, name-wise details were furnished who have given such amount and no supporting evidence furnished. The agreement furnished by assessee to substantiate that some buyer have paid such amount in cash, such agreement is not registered and is executed on plain paper. The Assessing Officer treated such cash deposit of Rs.3.48 crores as unexplained and added under section 68 of the Act. The assessing officer also made addition of Rs. 81,87,359/- under section 68 as unexplained cash credit. Such addition was made as difference of Rs. 3.57 core and Rs. 2.76 Crore as recorded in sub Para 8

of assessment order. We find that before 1d CIT(A) the assessee filed detailed written submissions, which is not repeated here for the sake of brevity.

14. We find that the 1d CIT(A) deleted both the additions by taking view that during the relevant period the assessee developed project of 53 Bungalow, and each buyer of the bungalow had entered into two agreements with assessee. First agreement relates to development of plots. In second agreement, clause-16 deals with the payment of charges to AEC, AUDA, VAT, legal charges, stamp duty registration fee to be borne by the purchasers / buyers. The buyers had reimbursed the said charges to assessee, out of 53 buyers, 47 buyers have reimbursed these charges in cash to assessee and remaining 6 buyers reimbursed these charges by way of cheque. So far as reimbursement of service tax is concerned 35 buyers had reimbursed in cash and 18 buyers reimbursed by way of cheque payment. The assessee made lump sum payments of all those charges to various authorities, which was shown in the books of account maintained by assessee. The reimbursement was made by some of the buyers in cash or by way of cheques aggregating to Rs.6.00 lakh per bungalow. All reimbursements expenses incurred were offered as receipt in the profit and loss account of assessee. The Ld. CIT(A) further find that total receipt in the profit and loss account was shown at Rs.12.43 crores and such receipts include as reimbursement receipt from buyers of the bungalows of Rs.3.94 lakhs towards legal expenses of Rs.2.32 crores; towards AUDA and betterment charges of Rs.50.26 lakhs paid to Uttar Gujarat Vij Co. Ltd. for electricity

deposits; Rs.83.02 lakhs paid to Service Tax Department and Rs.31.65 lakh being betterment charges paid to Ahmedabad Municipal Corporation. The first four receipts credited to sales account / service tax collection and last receipt was credited to Ahmedabad Municipal Corporation. Thus, entire amount received by assessee towards reimbursement of various charges offered in profit and loss account also. The Ld. CIT(A) also extracted summary of cash inflow as well as cash outflow in para 6.4 of his order. Such cash book summary is showing equal amount of Rs.6.66 crores on both side. The ld CIT(A) on the basis of his observation held that that the assessee received cash from buyers of Rs.3.57 crores and withdrawal of Rs.3.01 crores. At the same time, the assessee made deposit of Rs.5.91 crores in its bank account, out of which Rs.2.43 crores prior to demonetization period and remaining of Rs.3.48 crores during post demonetization period. The Ld. CIT(A) further held that when the amount of reimbursement of expense receivable by the assessee as per agreement with the buyers as the same amount was received and offered at received side shown in profit and loss account, the same cannot be brought to tax again by making further addition. The addition made by Assessing Officer in the hand of assessee is a double addition and accordingly both the additions of Rs.3.48 crores and Rs.81.87 lakh by taking view that it was a part of reimbursement expenses and accounted as "income" in the books of assessee cannot be again added as unexplained cash and deleted both the additions.

15. Before us, the ld Senior Counsel made submissions that the assessee in its reply dated 25.11.2017 furnished complete details consisting

name, address, PAN of all the customers. The Assessing Officer has not made any verification from the customers. On furnishing details of all the buyers, the Assessing Officer has not sought the details of various cash payments. Thus, we find merit in the submissions of Id Senior Counsel for the assessee that Assessing Officer doubted only deposit of cash and deposit of cash is regular feature with the assessee being in real estate business. Considering the nature of business activities of the assessee that when the assessee has received cash from its customers as a regular feature, the assessee the assessee has no option except to deposit such cash (old currency note) with its bank during demonetization period.

16. We find that that the assessing officer has not doubted the cash in hand on beginning of financial year, receipt from partners and withdrawal from bank, nor brought any adverse material again the deposits from the buyers. The assessing officer has not disputed the facts reimbursement of expenses on various head as claimed by the assessee from all the buyers are shown in revenue receipt and offered to tax by the assessee.
17. The Hon'ble Jurisdictional High Court in CIT Vs Vishal export (supra) held that when the assessee has already offered sales realisation and such income is accepted by assessing officer to be the income of the assessee, the addition of the same amount once again under section 68 of the Act would tantamount to double taxation of the same income.
18. We find that Hon'ble Delhi High Court in PCIT Vs Agson Global (P) limited (supra) held that where the assessing officer made addition

under section 68 on account of cash deposit made by assessee post-demonetization, since assessee placed material on record to prove that cash deposits made with banks were in correspondence with cash sales and growth in sales compared to earlier two years showed similar trend, it could only be concluded that there was growth in assessee's business and impugned addition was to be deleted. The coordinate bench of Chandigarh Tribunal in Charu Aggarwal Vs DCIT (supra) also held that where cash deposited post-demonetization by assessee was out of cash sales which had been accepted by Sales Tax/VAT Department and not doubted by Assessing Officer and there was sufficient stock available with assessee to make cash sales, sales made by assessee out of existing stock were sufficient to explain deposit of cash (obtained from realization of sales) in bank account and, thus, cash deposits could not have been treated as undisclosed income of assessee. Further, coordinate bench of Tribunal in ACIT Vs Hirapanna Jewellers (supra) also held that Where assessing officer made addition under section 68 on account of huge cash amount deposited by assessee-jeweller in its bank account post demonetization, since assessee had explained source of said cash deposits as sales of jewellery, produced sale bills and admitted same as revenue receipt as well as offered it to tax and assessee also represented outgo of stocks which was matching with sales, impugned addition was to be deleted.

19. Thus, in view of the aforesaid factual and legal discussions, we do not find any illegality or infirmity in the order passed by Id CIT(A) in deleting both the additions, which we affirm with our aforesaid additional

observation. In the result, the grounds of appeal raised by the assessee are dismissed.

20. In the result, appeal of the Revenue is dismissed.

Order pronounced in the open court on 23/10/2023.

<b>Sd/-</b> <b>(Dr ARJUN LAL SAINI)</b> <b>[लेखा सदस्य/ACCOUNTANT MEMBER]</b>	<b>Sd/-</b> <b>(PAWAN SINGH)</b> <b>[न्यायिक सदस्य JUDICIAL MEMBER]</b>
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Surat, Dated: 23/10/2023  
*Dkp. Out Sourcing Sr.P.S*

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2. Respondent-
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4. DR
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/Assistant Registrar, ITAT, Surat