

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'B', NEW DELHI**

**Before Dr. B. R. R. Kumar, Accountant Member**

**Ms. Astha Chandra, Judicial member**

**ITA No. 834/Del/2023 : Asstt. Year: 2017-18**

G.T.S Exports P. Ltd., C/o Matta & Co., 877, Aggarwal Cyber Plaza-II, Netaji Subhash Place, Pitampura, Delhi 110034	Vs	The ACIT, Circle 10(1), Delhi
(APPELLANT)		(RESPONDENT)
<b>PAN No. AAACG 0815 A</b>		

**Assessee by : None (Adjournment Filed by Shri B. Matta)  
Revenue by : Sh. Vivek Kumar Upadhyay, Sr. DR**

<b>Date of Hearing: 31.08.2023</b>	<b>Date of Pronouncement: 17.11.2023</b>
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**ORDER**

**Per Dr. B. R. R. Kumar:-**

The present appeal has been filed by assessee against the order of Ld. NFAC/CIT(A), Delhi dated 13.02.2023.

2. The assessee in appeal against confirmation of Rs. 10 lakh by the Id. CIT(A).

3. The relevant part of the order of the Id. CIT(A) is as under:-

*Admittedly, in impugned case, the appellant had deposited cash of Rs.48,80,000/- in bank account during the demonetization period. It is also an admitted fact that the assessee company has been engaged in sale of bikes or two wheelers, which are normally being sold in cash. Further, whatever sales effected in cash, the cash amount is being deposited in bank account over a gap of some days or a week. The AO has duly worked*

*out monthly cash sales of Rs.5,93,271/- which is based on the evidences supplied by the assessee and accordingly determined unexplained cash deposit because, the amount of deposit during the demonetization period does not commensurate with the monthly cash sales. .... in the assessment proceeding as well as in the appeal proceeding, the appellant company has failed to furnish a reconciliation chart viz. copy of sales vouchers, cash sale register and amount deposited in bank account so as to enable the undersigned to workout the actual cash balance with the assessee as on 08.11.2016. As per cash flow chart shown on page 4 of the assessment order, total cash sale from 1.4.2016 to 8.11.2016 is at Rs.67,24/682/-. Therefore, this amount represents entire cash sale of 8 months excluding the part period of November 2016, however, total cash deposit was at Rs.48,80,000/. Therefore, the entire cash deposit may be considered as explained as the total cash sale exceeded the cash amount deposited however, it is not possible that the appellant company would have kept the entire cash sale consideration in cash with itself from 1.4.2016 till the date of announcement of demonetization. Hence, I find force in the argument of the AO that certain part of cash deposit remained unexplained, unless, the appellant bring on record any cogent material to substantiate its claim. Since the appellant has failed to bring on record date wise cash in flow, out flow chart with bank reconciliation etc, the quantum of cash deposit unexplained is estimated at Rs. 10,00,000/- in place of Rs. 19,78,514/-.*

*Thus, the assessee gets a relief of Rs.9,78,514/-.*

4. Heard the arguments of both the parties and perused the material available on record.

5. The Revenue has undisputedly admitted that the appellant had deposited cash of Rs.48,80,000/- in bank account during the demonetization period. It was also an admitted fact that the assessee company has been engaged in sale of bikes or two wheelers, which are normally being sold in cash. The Id. CIT(A) give relief of Rs. 9,78,514/- out of the 19,78,514/- treated as

unexplained cash by the Assessing Officer. There was no rational to accept Rs. 9.78 lakhs and treat Rs. 10 lakhs as unexplained. The Revenue has already treated an amount of Rs. 29,01,486/- as explained which was from the business of the assessee. Since it is proved that the assessee even the business of sale to two whellers and dealing in cash keeping the entire facts and circumstances, the amounts deposited in the bank account, monthly sales, we hereby delete the addition of Rs. 10 lakhs.

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

Order Pronounced in the Open Court on 17/11/2023.

**Sd/-**  
**(Astha Chandra)**  
**Judicial Member**

**Sd/-**  
**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**Dated: 17/11/2023**

\*NV, Sr. PS\*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

**ASSISTANT REGISTRAR**  
**ITAT, DELHI**