

IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCH "SMC", PUNE

BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.1440/PUN/2023

निर्धारण वर्ष / Assessment Year : 2017-18

Hiranand Chandiram Bajaj, 13, Krishnapuri, Radhaswami Service Centre, Jamner Road, Pachora, Jalgaon-424201 Maharashtra PAN : AASPB6442M	Vs.	DCIT, Circle-1, Jalgaon
Appellant		Respondent

Assessee by : Shri Sanket Joshi
Revenue by : Shri Arvind Desai

Date of hearing : 17.04.2024
Date of pronouncement : 18.04.2024

आदेश / ORDER

PER INTURI RAMA RAO, AM:

This is an appeal filed by the assessee directed against the order of the National Faceless Appeal Centre, Delhi ['NFAC'] dated 30.10.2023 for the assessment year 2017-18.

2. Brief facts of the case are that the appellant is an individual running a Petrol Pump. Return of income for the A.Y. 2017-18 was filed on 30.10.2017 declaring income of Rs.14,64,820/-. Against the said return of income, the assessment was completed by the

Assessment Officer (AO vide order dated 20.12.2019 passed u/s.143(3) of the Act at a total income of Rs.34,52,820/-. While doing so, the AO made addition of amount of cash deposited during demonetization period of Rs.19,88,000/-.

3. Being aggrieved, an appeal was filed before the CIT(A) who vide impugned order confirmed the action of the AO by holding that the appellant had failed to explain the sudden rise in the cash. Being aggrieved, the appellant is in appeal before the Tribunal in the present appeal.

4. The Id. Authorised Representative submits that before the CIT(A) the appellant filed an explanation for the source of the cash deposits made on 01.11.2016 stating that it was out of the cash sales of Petrol/Diesel. The accumulated cash balance for the month of October, 2016 was deposited on 01.11.2016 and was utilised for making payment to Indian Oil Corporation. He further submits that the finding of the CIT(A) that there was sudden rise in the cash is contrary to the fact. The appellant had not made advance payment to Indian Oil Corporation during the month of October, 2016, as a result, there was cash balance of Rs.19.88 lakh. Further, he submits that total cash deposits for the period from 01.04.2016 to

08.11.2016 was Rs.9,81,71,198/-. Therefore, the given volume of sales of Petrol/Diesel, the explanation given by the appellant cannot be said to be false.

5. On the other hand, the Id. Sr.DR relied on the orders of the lower authorities.

6. I have heard the rival submissions and perused the relevant material on record. The only issue that arises for my consideration is whether can it be said that the explanation tendered by the appellant in support of source for cash deposit of Rs.19,88,000/- is plausible or not. It is the explanation of the appellant that cash deposit of Rs.19,88,000/- was made on 01.11.2016 represents the sale proceeds of Petrol/Diesel. The very fact that during the period from 01.04.2016 to 31.10.2016 the appellant made huge cash deposits in the bank account goes to clearly establish that the sales shown by the appellant cannot be doubted. Therefore, the finding recorded by the Id. CIT(A) that there was sudden rise in cash balance cannot be accepted especially in view of the explanation of the appellant that it had not made any advance payment to IOC for the month of October, 2016. No addition can be made on surmises and suspicion. In the circumstances, I am of the considered opinion

that the explanation tendered by the appellant is a plausible explanation and no addition is warranted. Thus, the appeal of the appellant stands allowed.

7. In the result, the appeal of the appellant is allowed.

Order pronounced on this 18th day of April, 2024.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 18th April, 2024.
Satish

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.