

THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD "SMC" BENCH

Before: Ms. Suchitra Kamble, Judicial Member

**ITA No. 186/Ahd/2024
Assessment Year 2017-18**

Ketankumr Ravabhai Patel, At Kanknol, Post Kanknol, Himatnagar PAN: ATCPP8947L (Appellant)	Vs	The Income Tax Officer, Ward-3, Himatnagar (Respondent)
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**Assessee by: Shri S.N. Divetia, A.R. &
Shri Samir Vora, A.R.**
Revenue by: Shri Sanjay Jain, Sr. D.R.

Date of hearing : 10-04-2024
Date of pronouncement : 24-04-2024

आदेश/ORDER

This is an appeal filed against the order dated 09-01-2024 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2017-18.

2. The grounds of appeal are as under:-

“1.1 The order passed by U/s. 250 passed on 09.01.2024 for AY 2017-18 by NFAC (CIT(A), Delhi (for short NFAC) upholding the addition of Rs.15,48,000/- made by A.O. towards cash deposits in bank accounts with Bank of Baroda during demonetization period is wholly illegal, unlawful and against the principles of natural justice.

2.1 The ld. NFAC has grievously erred in law and or on facts in not considering fully and properly the explanation furnished with copy of cash book towards the impugned cash deposit in bank account. Thus, there is gross violation of the principles of natural justice.

3.1 The ld. NFAC has grievously erred in law and or on facts in upholding the addition of Rs.15,48,000/- made by A.O. towards cash deposits in bank accounts with Bank of Baroda during demonetization period as unexplained money.

3.2 That the in the facts and circumstances of the Id. NFAC ought not to have upheld the addition of Rs.15,48,000/- made by A.O. towards cash deposits in bank accounts with Bank of Baroda during demonetization period as unexplained money.

3.3 The ld. NFAC has failed to appreciate that the appellant had deposited Rs.14,98,000/- out of Rs. 15,48,000/- prior to declaration of demonetization so that the impugned addition is unwarranted.

It is, therefore, prayed that the addition of Rs. 15,48,000/- upheld by the NFAC may kindly be deleted.”

3. The assessee made cash deposit of Rs. 14,48,000/- in his bank account with Bank of Baroda and cash deposit of Rs. 60,000/- in another account with the same bank during the demonetization period. The assessee filed his return of income for assessment year 2017-18 on 28-07-2017 declaring total income of Rs. 4,07,690/- and agricultural income of Rs. 2,08,978/-. The case was selected for limited scrutiny on the issue of large cash deposit during demonetization period. After issuing statutory notices, the assessee furnished cash

books as well as the other relevant documents before Assessing Officer. The Assessing Officer treated the entire cash deposits aggregating to Rs. 15,48,000/- in the bank account during demonetization period as unexplained money u/s. 69A of the Act.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. The ld. A.R. submitted that the CIT(A) was not right in confirming the addition as the assessee has furnished copy of cash books towards the said cash deposits. The assessee is an agriculturist and is having cash on daily basis as well as the assessee has also given the previous cash books. The ld. A.R. submitted that the assessee is carrying out multiple activities and therefore he was having the cash balance in hand and which was accepted by the Department in previous year as well as in subsequent years. The ld. A.R. submitted that the assessee has filed the bank statement thereby the showing the delay in deposits of cash as well as withdrawals and in fact maintaining regular cash books. The assessee is mainly dealing with dairy products and milk business and therefore required cash in hand. The assessee is also having agricultural land which produces the agricultural

income in the retail market and therefore acquires the cash in hand. Though the details were produced before the CIT(A), the CIT(A) totally rejected it.

6. The ld. D.R. submitted that the assessee has not given any documentary evidence before the Assessing Officer as well as before the CIT(A). Merely producing bank book and not giving the supporting document about the transactions of agricultural activities. The CIT(A) has rightly confirmed the addition.

7. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the assessee is not only dealing with the agricultural produce on agricultural land but also dealing with the milk product for which the assessee has given the details of certificate of the respective co-operative societies. The assessee has given the details about the cash book and the cash in hand during the year and in subsequent years which was never doubted by the Revenue at any point of time. In fact, in the present assessment year also the cash books were not doubted and the activities carried out by the assessee were also not doubted. The CIT(A) has not commented anything on the evidences produced before the CIT(A) and thus the CIT(A) totally ignored the evidences. Hence, the cash deposit made

by the assessee during the demonetization was properly explained by the assessee through documentary evidence and the same should have been allowed by the CIT(A). Thus, the appeal of the assessee is allowed.

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

Order pronounced in the open court on 24-04-2024

Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER

Ahmedabad : Dated 24/04/2024

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद