



**IN THE INCOME TAX APPELLATE TRIBUNAL,  
CUTTACK 'SMC' BENCH, CUTTACK**

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER**

**ITA No.83/CTK/2024**

Assessment Year : 2017-18

Sagarika Sahoo, Kusunpur, Kendrapara	Vs.	Income Tax Officer, Kendrapara Kendrapara	Officer, Ward,
PAN/GIR No.CXTPS 2477 P			
<b>(Appellant)</b>	..	<b>( Respondent)</b>	

Assessee by : Shri S.K.Agrawalla, CA  
Revenue by : Shri S.C.Mohanty, Id Sr DR

**Date of Hearing : 30/04/2024**

**Date of Pronouncement : 30/04/2024**

**ORDER**

This is an appeal filed by the assessee against the order of the Id CIT(A), NFAC, Delhi dated 31.1.2024 in Appeal No.CIT(A),Cuttack/10908/2019-20 for the assessment year 2017-18.

2. Shri S.K.Agrawalla, Id AR appeared for the assessee. Shri S.C.Mohanty, Id Sr DR represented on behalf of the revenue.

3. It was submitted by Id AR that the assessee is Biotechnology engineer. It was the submission that the assessee wanted to set up a biotechnology factory and consequently, she had taken loan from Uco Bank for an amount of Rs.11 lakhs and another amount of Rs.9 lakhs. The loans were granted to the assessee on 31.10.2016. The assessee immediately

withdrew the said amount from the bank account for the purpose of purchasing land. As the demonetization had been announced in November, 2016, the assessee immediately re-deposited all the currency into respective bank accounts on 31.10.2016 and on 15.11.2016. It was the submission that Rs.20 lakhs deposited on 31.10.2016 was the loan amount which had been withdrawn by the assessee and Rs.5000 deposited on 15.11.2016 was the balance of the demonetization currency which was available with the assessee. It was the submission that the assessee having explained the source and the same was not accepted by the AO on the ground that the assessee has deposited Rs.20 lakhs and Rs.5000 in the form Specified bank notes(SBN). It was the prayer that the addition as made by the AO and confirmed by the Id CIT(A) be deleted.

4. In reply, Id Sr DR submitted that the order of the Id CITA) is an exparte order and the issues, if at all, be restored to the Id CIT(A) for proper adjudication.

5. I have considered the rival submissions. A perusal of the facts in the present case clearly shows that all the material facts were before the AO and the AO has also accepted that the loans had been taken and also accepted the fact that the amounts were withdrawn from the bank as loan. The AO only questioned as to why the assessee wanted cash for purchase of land. The Assessing officer is not disputing the fact that it was the same monies which were drawn from the bank and redeposited. Just because,

the amounts which have been drawn by the assessee from the bank as on 31.10.2016, which becomes SBN when the demonetization was announced, it cannot be presumed that the assessee has deposited unaccounted money in the bank account when the assessee has produced substantial proof to show that the monies deposited were out of valid currency which has been withdrawn from the bank and immediately past few days, such facts cannot be discarded without valid arguments. This being so, the addition as made by the AO and confirmed by the Id CIT(A) stands deleted.

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

Order dictated and pronounced in the open court on 30/04/2024.

Sd/-  
**(George Mathan)**  
**JUDICIAL MEMBER**

Cuttack; Dated 30/04/2024  
B.K.Parida, SPS (OS)

**Copy of the Order forwarded to :**

1. The Appellant : Sagarika Sahoo, Kusunpur, Kendrapara
2. The Respondent: Income Tax Officer, Kendrapara Ward, Kendrapara
3. The CIT(A)- NFAC, Delhi
4. Pr.CIT, Cuttack
5. DR, ITAT, Cuttack
6. Guard file.  
//True Copy//

**By order**

Sr.Pvt.secretary  
**ITAT, Cuttack**