

IN THE INCOME TAX APPELLATE TRIBUNAL

PUNE "SMC" BENCH : PUNE

[THROUGH HYBRID HEARING]

BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER

I.T.A.No.538/PUN./2024 [E-APPEAL]
Assessment Year 2017-2018

Shri Maruti Sadashiv Dhanavade, 1184, Opp. Bagi Complex, Sankeshwar Road, Gadhinglaj, KOLHAPUR – 416 502. Maharashtra. PAN ADGPD7040L	vs.	The Income Tax Officer, Ward-1(4), KOLHAPUR. Maharashtra.PIN 416 003.
(Appellant)		(Respondent)

For Assessee :	-None-
For Revenue :	Shri Kalpeshkumar Rupavatiya

Date of Hearing :	06.05.2024
Date of Pronouncement :	10.05.2024

ORDER

This assessee's appeal for assessment year 2017-18, arises against the National Faceless Appeal Centre [in short the "NFAC"] Delhi's Din and Order No.ITBA/NFAC/S/250/2023-24/1059943819(1), dated 19.01.2024, in proceedings u/s.143(3) of the Income Tax Act, 1961 (in short "the Act").

Case called twice. None appears at assessee's behest. He is accordingly proceeded ex-parte.

2. The assessee pleads the following substantive grounds in the instant appeal :

1. *“CIT (Appeals) has erred on facts & Law in confirming the addition to Income of Rs.9,60,500/- on account of SBN Notes deposited during the period 09/11/2016 to 31/12/2016 as Income u/s.68 r.w.s.115BBE. Appellant prays to delete the addition as said notes were deposited out of Cash Sales and Cash Receipts from Debtors.*
 2. *CIT (A) has erred in confirming the addition as Income u/s.68 since the source is not unexplained it is for Sale of Agricultural Goods in which the appellant is dealing & earned Business Income. Appellant prays to delete the addition holding that sec.68 is not applicable.*
 3. *The proceedings & Assessment are Bad in Law.*
 4. *In any event CIT(A) has erred in confirming applicability of provisions of sec.115BBE.*
 5. *Lower authorities have erred in charging Interest u/s.234A & 234B. Appellant prays for deletion of the same.*
 6. *Appellant denies liability to Interest u/s 234A & 234B on said addition.*
 7. *Appellant prays to add, alter, amend, take additional grounds, submit additional evidence, and/or withdraw the ground/s, during appellate Proceedings.”*
3. I have given my thoughtful consideration to the assessee’s pleadings and Revenue’s vehement arguments so far as the sole substantive issue herein of sec.68

r.w.s.115BBE unexplained cash deposits addition of Rs.9,60,500/- is concerned. There is hardly any dispute that the assessee's foregoing cash deposits had been made between 9th to 30th November, 2016 in its bank account(s) during the demonetization period. A perusal of the Assessing Officer's detailed discussion in para-3 onwards sufficiently indicates that it is a case of a proprietary firm involved in wholesalers and general commission agent business dealing in agricultural commodities. Meaning thereby, that accumulation of day-to-day cash sales in such an unorganized business of agricultural commodities could not be altogether ruled out. This is indeed coupled with the fact that the assessee has not filed all the relevant corresponding stock details etc., to reconcile the impugned cash deposit(s) as derived from regular business activity. Faced with this situation, it is deemed appropriate in the larger interest of justice that a *lump sum* addition of Rs.3,60,500/- only out of that in question of Rs.9,60,500/- (supra) would be just and proper with a rider that the same shall not be treated as a precedent in any other case. The assessee gets relief of Rs.6 lakhs in otherwords. Necessary computation shall follow as per law. Ordered accordingly.

4. This assessee's appeal is partly allowed in above terms.

Order pronounced in the open Court on 10.05.2024.

Sd/-
[SATBEER SINGH GODARA]
JUDICIAL MEMBER

Pune, Dated 10th May, 2024

VBP/-

Copy to

1.	The appellant
2.	The respondent
3.	The Pr. CIT, Pune concerned
4.	D.R. ITAT, "SMC" Bench, Pune.
5.	Guard File.

//By Order//

//True Copy //

Sr. Private Secretary, ITAT, Pune Benches,
Pune.