

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

**Dr. Manish Borad, Accountant Member**

**I.T.A. No. 990/KOL/2024  
Assessment Year: 2017-2018**

***Shailendra Kumar Gupta,.....Appellant  
Geetas Circle,  
33/1B, Sarat Bose Road,  
Kolkata-700020  
[PAN:ADBPG8016C]***

**-Vs.-**

***Deputy Commissioner of Income Tax,.....Respondent  
Circle-32(1), Kolkata,  
10B, Middleton Row,  
Kolkata-700071***

**Appearances by:**

*Shri Akkal Dudhewala, A.R., appeared on behalf of the  
assessee*

*Shri B.K. Singh, JCIT, appeared on behalf of the  
Revenue*

**Date of concluding the hearing : July 18, 2024**

**Date of pronouncing the order : July 22, 2024**

**O R D E R**

The present appeal is directed at the instance of assessee against the order of Id. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 9<sup>th</sup> March, 2024 passed for assessment year 2017-18.

2. The grounds of appeal raised by the assessee read as under:-

*(1)(a) For that on the facts and in the circumstances of the case, lower authorities erred in adding the cash deposits of Rs.12,36,000/- during the demonetization period by way of unexplained income u/s 69A of the Act.*

*(b) For that on the facts and in the circumstances of the case and in law, the lower authorities erred in not appreciating that the appellant had explained the source of cash deposits of Rs.12,36,000/- and the same formed part of the books of accounts and in that view of the matter, the impugned addition of Rs.12,36,000/- made u/s 69A of the Act by way of unexplained income deserves to be deleted in full.*

*(2) For that the appellant craves leave to submit additional grounds and/or amend or alter the grounds already taken either at the time of hearing of the appeal or before.*

3. At the outset, ld. Counsel for the assessee submitted that the impugned addition is uncalled for as ld. CIT(Appeals) grossly erred in observing that the assessee has not furnished any details of source of deposits. He submitted that the assessee is engaged in the business of garments and source of alleged cash deposits was from sale of goods. The assessee deposited cash during demonetization period in United Bank of India and information was duly given to the Income Tax Department through the declaration of return of income. The books of account have not been rejected and the sales made by the assessee has been accepted by the revenue authorities.

4. On the other hand, ld. D.R. vehemently supported the order of lower authorities.

5. I have heard the rival contentions and gone through the record placed before me. I observe that the assessee is an

individual and carries on the business of garments. Total turnover of the assessee during the year under consideration is of Rs.14.68 crores. Books of account are audited and tax audit report filed. During the year under consideration when demonetization scheme was announced, certain information was received by the ld. Assessing Officer about cash deposits in the Bank accounts. As per these details, Rs.1,59,86,000/- was deposited during demonetization period in the Bank accounts held by the assessee with HDFC Bank Ltd., Bank of India. The ld. Assessing Officer has accepted the source of cash deposits amounting to Rs.1,16,50,000/-. So far as the remaining amount i.e. Rs.12,36,000/- is concerned, I note that the assessee had given the information about the old currency deposited in the Bank, but in the very same period, the assessee received new currency notes which were also deposited, but there being no need to file the details of such deposits, the assessee did not intimate the same in the details of currency notes.

6. I also observe that the assessee mainly runs two Bank accounts, i.e. HDFC Bank with Overdraft facility and Bank of India. Information about both these accounts have been given in the income tax return. The third Bank account is held with United Bank of India. Though the information about the Bank account is not appearing in the income tax return, however, the assessee had furnished the cash transactions report to the Income Tax Department along with cash deposits with United Bank of India and the source of entire amount of cash sales proceeds.

7. On the overall examination of the facts, audited financial statements, summary of cash transactions filed by the assessee and other details furnished in the paper book including summary of month-wise total sale and cash sales and the fact that books of account have not been rejected by the ld. Assessing Officer, I am inclined to hold that the assessee has successfully explained the source of alleged cash deposits of Rs.12,36,000/- and the source of the same is from the cash sale proceeds, which are duly accounted in the books of account. Thus, the finding of ld. CIT(Appeals) is set aside and the addition of Rs.12,36,000/- is deleted.

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

Order pronounced in the open Court on 22/07/2024.

**Sd/-**  
**(Manish Borad)**  
**Accountant Member**

***Kolkata, the 22<sup>nd</sup> day of July, 2024***

- Copies to :*(1) *Shailendra Kumar Gupta,*  
*Geetas Circle,*  
*33/ 1B, Sarat Bose Road, Kolkata-700020;*
- (2) *Deputy Commissioner of Income Tax,*  
*Circle-32(1), Kolkata,*  
*10B, Middleton Row, Kolkata-700071;*
- (3) *Commissioner of Income Tax (Appeals),*  
*National Faceless Appeal Centre(NFAC), Delhi;*
- (4) *CIT- , Kolkata;*

- (5) *The Departmental Representative;*
- (6) *Guard File*

*TRUE COPY*

*By order*

*Assistant Registrar,  
Income Tax Appellate Tribunal,  
Kolkata Benches, Kolkata*

***Laha/Sr. P.S.***