

IN THE INCOME TAX APPELLATE TRIBUNAL, "C" BENCH
MUMBAI
BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER &
SHRI OMKARESHWAR CHIDARA, ACCOUNTANT MEMBER

ITA No. 886/MUM/2024
(A.Y.2017-18)

ChromePicturesMediaLLP, No.1,2,3,4 18 th Floor, "Grandeur", Off Veera Desai RoadExtn Andheri (W), Mumbai-400053.	Vs.	ACIT, Circle-16(1), Aayakar Bhavan, M.K.Road, Mumbai-400020.
PAN/GIR No. AAKFC1274G		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Appellant by	Shri.Vipul Joshi,Shri.Ashok Sharma & Ms.Dinkle Hariya.AR
Respondent by	Shri.H.M Bhatt.Sr. DR

सुनवाई की तारीख/Date of Hearing	10.07.2024
घोषणा की तारीख/Date of Pronouncement	24.07.2024

ORDER

PER PAVAN KUMAR GADALE, JM:

The assessee has filed the appeal against the order of the National Faceless Appeal Centre, Delhi / CIT(A) passed u/sec 143(3) and 250 of the Act. The assessee has raised the following sole ground of appeal:

"On the facts of the case the Ld. AO erred in holding and Ld. CIT(A) erred in confirming that cash deposits in the bank account were not satisfactorily explained and added the same as unexplained credit u/s 69A."

2. The brief facts of the case that, the assessee is an LLP and is engaged in the business of production, promotion, developing and edition all kinds of advertising films by providing production and direction services including recording, mastering, duplicating, shooting, editing and modelling services. The assessee has filed the return of income for the A.Y 2017-18 on 06.10.2018 disclosing a total income of Rs.7,79,83,720/-. Subsequently the case was selected for scrutiny and notice u/sec 143(2) and u/sec 142(1) of the Act along with questionnaire are issued. In compliance to the notice, the assessee has filed the details and information. The Assessing Officer (AO) on perusal of the information found that, the assessee has made cash deposits in the bank accounts maintained with Standard Chartered Bank and Vijaya Bank in the F.Y.2016-17. During the course of assessment proceedings the assessee was called to explain the sources of cash deposits and genuineness of the transactions. Whereas the assessee has made cash deposits of Rs. 8,07,380/- in Standard Chartered Bank and Rs. 27,13,483/- in Vijaya Bank aggregating to Rs. 35,20,863/- The assessee has filed the submissions/ explanations referred at Page 2 Para 4.1 of the order as under:

"With regard to cash deposits made in Standard Chartered Bank, it was stated that:"Cash withdrawn from current bank account for business purposes, remaining unutilized amount, deposited back in the bank. All these deposits are NOT IN THE DEMONITISATION

PERIOD. We will submit bank statement in a couple of days". Similarly with regard to the cash deposits made in Vijaya Bank, it was stated that: "Cash withdrawn from current bank account for business purposes, remaining unutilized amount, deposited back in the bank. These have been deposited during demonetisation period as it was mandatory since the old notes were demonetised by the Government. We will submit bank statement in a couple of days". It was further stated that "Cash has been deposited by the LLP from balance lying unutilised out of cash withdrawn from its own current bank accounts. We will submit. Bank statements in a couple of days"

3. Whereas the AO was not satisfied with the explanations and find that the assessee could not substantiate with the material information/evidences supporting the sources of cash deposits in the bank accounts and are remained unexplained. Finally A.O invoked the provisions of section 69A of the Act and made addition of Rs.35,20,863/- and assessed the total income of Rs. 8,15,04,580/- and passed the order U/sec143(3) of the Act dated 24-12-2019.

4. Aggrieved by the order, the assessee has filed an appeal with the CIT(A). Whereas the CIT(A) has considered the grounds of appeal, statement of facts, submissions of the assessee and findings of the AO and dealt on the provisions of section 69A of the Act and judicial decisions but has sustained the addition made by the A.O and dismissed the appeal. Aggrieved by the CIT(A)order, the assessee has filed an appeal before the Honble Tribunal.

5. At the time of hearing the Ld. AR submitted that the CIT(A) has erred in confirming the addition by the AO overlooking the factual information filed in the proceedings. Further the Ld.AR submitted that the assessee has a good case on merits and can substantiate with supporting sources for the cash deposits in the bank accounts and has filed an application for admission of the additional evidence under Rule 29 of ITAT rules. Per contra, the Ld. DR submitted that the evidences were not examined by the lower authorities and the Ld. DR supported the order of the CIT(A).

6. We heard the rival submissions and perused the material on record. The sole crux of the disputed issue envisaged by the Ld.AR that the CIT(A) has erred in confirming the additions by the A.O. as the transactions/ sources are not supported with the documentary evidences ignoring the reply filed by the assessee. The Ld.AR emphasized that the assessee has submitted the details as called for by the authorities and further the assessee has submitted the bank statements of Standard Chartered Bank, where the amount was withdrawn and was deposited in other bank account. The assessee is filling the application for admission of additional evidences under Rule 29 of ITAT rules with the Vijaya bank account statements to substantiate the sources which was not available earlier and could not produce before the lower authorities. Further the evidences

play a important role in decision making in the adjudicating proceedings. Therefore considering the facts, circumstances and additional evidences, the assessee should not suffer for non filing of material information, as the evidences played vital role in decision making and admit the additional evidence. Accordingly, to meet the ends of justice, we set aside the order of the CIT(A) and restore the entire disputed issues along with the additional evidence to the file of the assessing officer to decide afresh on merits and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information. And we allow the grounds of appeal of the assessee for statistical purposes.

7. In the result, appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 24.07.2024.

Sd/-
(OMKARESHWAR CHIDARA)
ACCOUNTANT MEMBER

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Mumbai, Dated: 24/07/2024

KRK

Copy of the Order forwarded to:

1. The Appellant,
2. The Respondent
3. The CIT(A)-

4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

//True Copy//

BY ORDER,
(Dy./Asstt. Registrar)ITAT,
Mumbai