

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH: BANGALORE**

**BEFORE SMT. BEENA PILLAI, JUDICIAL MEMBER AND
SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

ITA No.1186/Bang/2024
Assessment Years: 2017-18

Sukhanraj Surajmal Jain, Prem Textile, Javali Sai Belgaum Galli, Hubbali – 580 028. PAN – ABEPJ 7167 N	Vs.	The Income Tax Officer, Ward - 1(1), Hubli.
APPELLANT		RESPONDENT

Assessee by	:	Ms. Shree Raksha, ITP
Revenue by	:	Shri Ganesh R Gale, Standing Counsel for Dept.

Date of hearing	:	01.08.2024
Date of Pronouncement	:	16.08.2024

ORDER

PER WASEEM AHMED, ACCOUNTANT MEMBER:

This is an appeal filed by the assessee against the order passed by the NFAC, Delhi dated 22/04/2024 vide DIN No. ITBA/NFAC/S/250/2024-25/1064270990(1) for the assessment year 2017-18.

2. The interconnected issue raised by the assessee is that the Id. CIT(A) erred in confirming the addition of Rs. 4,10,723/- and 1,62,862/- representing the cash deposit as unexplained money u/s 69A of the Act.

3. The AO during the assessment proceedings found that the cash available with the assessee was Rs. 24,07,577/- during the

demonetization period, whereas the cash deposited in the bank account stands at Rs. 28,18,300/- leading to the difference of Rs. 4,10,723/-, the source of which was not explained by the assessee. Therefore, the AO treated the same as unexplained money u/s 69A of the Act.

4. Likewise, the AO found that the opening balance of cash as on 8/11/2016 stands at Rs. 21,09,474/-, whereas the assessee has deposited old currency in the bank account amounting to Rs. 22,72,300/- leading to the difference of Rs. 1,62,862/-, the source of which was not explained by the assessee. Therefore, the AO treated the sum of Rs. 1,62,862/- as unexplained money u/s 69A of the Act and added to the total income of the assessee.

5. On appeal before the Id. CIT(A), the assessee contended that the cash was received against the sales which is evident from the cash book. Thus, the amount deposited in the bank account was fully explained. As such, the contention of the assessee was that the cash was deposited against the receipt of cash sales made to the parties. However, the Id. CIT(A) rejected the contention of the assessee by observing that there was no documentary evidence furnished by the assessee suggesting the receipt of money against the cash sales.

6. Being aggrieved by the order of the Id. CIT(A), the assessee is before us.

7. The Id. AR before us filed a chart placed on pages 29 to 30 of the appeal memo containing the information about the availability of cash in hand. According to the Id. AR such detail is sufficient to justify the

source of cash. However, none of the authorities below has gone through the details placed on pages 29 to 30 of the appeal memo. Thus, the Id. AR prayed before us to restore the issue to the file of the AO for fresh adjudication as per the provisions of law.

8. The learned DR before us supported the orders of the authorities below.

9. We have heard the rival contentions of both the parties and perused the materials available on record. From the preceding discussion, we note that the assessee has tried justifying the source of cash deposit in the bank account as reflected in the excel sheet placed on pages 29 to 30 of the appeal memo. However, we note that such documents have not been verified by the authorities below. Therefore, in the interest of justice and fair play, we are inclined to extend one more opportunity to the assessee to justify his stand before the AO. Hence, we set aside the finding of the Id. CIT(A) and remit the issue back to the AO for fresh adjudication as per the provisions of law. Hence, the ground of appeal raised by the assessee is hereby allowed for statistical purposes.

10. In the result, the appeal of the assessee is hereby allowed for statistical purposes.

Order pronounced in court virtually on 16th day of August 2024

Sd/-

(BEENA PILLAI)

Judicial Member

Bangalore

Dated, August, 2024

/ vms /

Sd/-

(WASEEM AHMED)

Accountant Member

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The CIT(A)
5. The DR, ITAT, Bangalore.
6. Guard file

By order

Asst. Registrar, ITAT, Bangalore