

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, AHMEDABAD
BEFORE DR. BRR KUMAR, ACCOUNTANT MEMBER**

**ITA No.196/Ahd/2024
Asstt.Year : 2017-18**

Manoj Banwarilal Agrawal (Individual) A-7, Amardeep Apartment Opp: Sattadhar Estate Nikol Road Thakkar Bapanagar Ahmedabad. PAN : BNLPS 9558 R	Vs	ITO, Ward-3(3)(5) Ahmedabad.
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(Applicant)		(Respondent)
Assessee by :		Shri Parin S. Shah, AR
Revenue by :		Shri Ravindra, SR.DR

सुनवाई की तारीख/Date of Hearing : 10/10/2024
घोषणा की तारीख /Date of Pronouncement: 10/10/2024

आदेश/ORDER

This is assessee's appeal against the order of the ld.Commissioner of Income Tax (Appeal), National Faceless Appeal Centre (NFAC), Delhi dated 14.12.2023 for the Asst.Year 2017-18 passed under section 250 of the Income Tax Act, 1961 ("the Act" for short).

2. In the appeal, the assessee has raised the following grounds:

1. *The order passed by lower authorities is invalid, bad in law and required to be quashed.*
2. *Ld. NFAC erred in law and on facts in confirming addition of Rs.11,31,800/-u/s 68 of the Act ignoring fact that said amount has been offered as sales in return of income.*
3. *Ld. NFAC erred in law and on facts in treating cash deposited in bank accounts as unexplained money u/s 69A of the Act.*

4. *Ld. NFAC erred in law and in facts in making same addition by invoking two sections which is not permissible in law.*
5. *Ld.NFAC erred in law and on facts in confirming action of AO of charging same at special rate as per section 115BBE of the Act.*
6. *Charging of interest u/s.234B, 234C and 234D are unjustified.*

3. The facts emerge from the relevant records of the Revenue authorities are that the assessee is a whole-sale-cum-retailer of pan masala, gutkha etc. From the bank statements furnished, the ld.AO noticed that the assessee has made cash deposits as under:

MONTH	SALES IN RS.	CASH DEPOSITED IN BANK	% OF CASH DEPOSITED TO SALES
AUGUST-16	6,23,263	5,56,400	89.27%
SEPT-16	8,40,817	7,92,500	94.25%
OCTOBER-16	8,14,851	7,86,900	96.57%
NOVEMBER-16	4,84,538	5,02,900	103.79%
DECEMBER-16	7,31,164	7,05,400	96.48%

4. In the absence proper explanation/details by the assessee, the AO made addition of Rs.11,31,800/- on account of cash deposits made in the bank viz. Karnavati Co-operative Bank Ltd. in the months of November/December, 2016. The ld.CIT(A) confirmed the action of the AO holding that the assessee remained evasive and non-complaint and the appellant has merely claimed in the state of facts that the source of bank deposits mentioned bank statements statement are from cash balance available with the assessee as on 9.11.2016.

5. Before me, the ld.counsel for the assessee submitted that the cash deposits made are in connection with the business of the assessee, as can be deciphered from the table above.

On the other hand, the ld.DR argued that the assessee could not substantiate the source of cash.

6. Having gone through the record, and the type of business of the assessee, and I find that the assessee has made the following month-wise cash deposits made in the bank:

August, 2016	:	Rs.5,56,400/-
September, 2016	:	Rs.7,92,500/-
October, 2016	:	Rs.7,86,900/-
November, 2016	:	Rs.5,02,900/-
December, 2016	:	Rs.7,05,400/-

7. Looking to the above quantum of the amount deposited by the assessee, it cannot be considered abnormal in the absence of any material being brought on record by the Revenue, and therefore, it can be safely stated that the assessee would have made the cash deposits out of regular income of the assessee. Hence, I allow the grounds raised by the assessee.

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

Dictated on the Open Court, typed and pronounced on 10th October, 2024.

Copy of this order be given to the assessee. The Registry is directed to dispatch as per procedure.

Sd/-
(DR. BRR KUMAR)
ACCOUNTANT MEMBER

Ahmedabad, dated 10/10/2024
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