

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

Before Shri Duvvuru RL Reddy, Vice-President (KZ)

**I.T.A. No. 700/KOL/2024
Assessment Year: 2017-2018**

***Pitamber Dealcom Pvt. Limited,.....Appellant
P-497B, Hemanta Mukhopadhyay Sarani,
Kolkata-700029
[PAN:AAF0114N]***

-Vs.-

***Income Tax Officer,.....Respondent
Ward-12(2), Kolkata,
Aayakar Bhawan,
P-7, Chowringhee Square,
Kolkata-700069***

Appearances by:

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

*Shri Manoj Kumar Pati, Addl. CIT, appeared on behalf
of the Revenue*

Date of concluding the hearing: December 12, 2024

Date of pronouncing the order: December 23, 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 12th February, 2024 passed for Assessment Year 2017-18.

2. Brief facts of the case are that the assessee is a Company registered under the Companies Act, 1956 and since then engaged in the business of financing meter taxis. As per the nature of its business, the assessee received repayments or the EMIs from its clients whom it financed both in cash as well as cheque. Accordingly, the assessee had to deposit the cash in its Bank accounts from time to time throughout the year. During the demonetization period, i.e. from 09.11.2016 to 30.12.2016, the appellant deposited an aggregate amount of Rs.52,85,000/- in its various bank accounts. Out of the same, Rs.37,85,000/- was in Specified Bank Notes. The said Specified Bank Notes (SBNs), which were deposited, were out of the balance of cash in hand in the books of the appellant as on 08.11.2016. The assessee also furnished all the details during the assessment proceedings. However, the ld. Assessing Officer completed the assessment adding an amount of Rs.13,05,000/- being the cash deposited by the assessee.

3. Being aggrieved, the assessee preferred an appeal before the ld. CIT(Appeals). The ld. CIT(Appeals) after considering the facts and circumstances of the case, confirmed the addition made by the ld. Assessing Officer.

4. On being aggrieved, the assessee preferred an appeal before the Tribunal and raised the following issues:-

1(a) For that on the facts and in circumstances of the case, the reasons recorded by the AO were invalid and based on incorrect assumption of facts thereby rendering the consequent assessment framed u/s 147/143(3) to be bad

in law and hence the impugned order deserves to be quashed.

(b) For that on the facts and in circumstances of the case, the impugned order passed by the AO did not bear DIN in the body of assessment order and thus in light of CBDT Circular No.19/2019 dated 14.08.2019, the assessment order bearing date 17.12.2019 ought to be treated as null and void.

2(a) For that on the facts and in circumstances of the case, the Ld. CIT(A), NFAC erred in confirming the AO's action of treating the cash deposits of Rs.13,05,000/- during the demonetization period to be in the nature of unexplained cash credit u/s 68 of the Act.

(b) For that on the facts and in circumstances of the case, the appellant had duly demonstrated that these cash collections were from debtors / EMIs and formed part of the regular books of accounts and in that view of the matter the lower authorities had erred in treating the same as unexplained cash credit.

(c) For that on the facts and in circumstances of the case, the lower authorities having accepted the book results and the collection from debtors inter alia formed part of revenues of the appellant, the Ld. CIT(A) erred in confirming the AO's action of again making a separate addition in relation to these trade collections u/s 68 of the Act.

(d) For that on the facts and in circumstances of the case, the impugned addition being untenable on facts and in law deserves to be deleted in full.

2. For that the assessee 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.

5. I heard both the sides. It was the submission of the assessee that the nature of business of the assessee itself is financing meter taxis and whenever EMIs received either by way of cash or cheque, the assessee is to deposit the said amount to the Bank. This was the regular modus operandi of the assessee. He further submitted that even during the financial year 2016-17 during

demonetization, the assessee had deposited an amount of Rs.13,05,000/- and the ld. Assessing Officer without any valid reason denied the amount of Rs.13,05,000/- which was deposited in the Bank account of the assessee out of the total deposit of Rs.35,85,000/-. Therefore, he pleaded to delete the addition made by the ld. Assessing Officer for an amount of Rs.13,05,000/-.

6. On the other hand, ld. D.R. has mentioned that the assessee has deposited an amount of Rs.37,85,000/- but he failed to prove the source for cash deposit of Rs.13,05,000/-. Therefore, he made the addition. The ld. CIT(Appeals) also confirmed the same. Therefore, ld. D.R. pleaded to confirm the addition made by the ld. Assessing Officer.

7. I have heard both the sides and perused the relevant material available on record. It is an admitted fact that the assessee was doing the business of financing meter taxis. Whenever he received EMIs by way of cash or cheque, he deposited the same in the bank account. Even before the demonetization, the assessee had deposited Rs.2,12,87,790/- and during demonetization also, the assessee deposited an amount of Rs.37,85,000/-. But the ld. Assessing Officer has not considered an amount of Rs.13,05,000/- as the assessee has not given any proper reason except that the amount is deposited not from the regular business of the assessee. There is no reason to deny the cash deposits made by the assessee for an amount of Rs.13,05,000/-. Therefore, considering the facts and circumstances of the case, nature of business and the entire turnover of the assessee during the year under consideration, I

am of the considered view that there is no valid reason to say that the assessee has not explained the source for an amount of Rs.13,05,000/-. Therefore, I hereby direct the ld. Assessing Officer to delete the addition made under section 68 of the Act for an amount of Rs.13,05,000/-. Hence, the grounds raised by the assessee are allowed.

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

Order pronounced in the open Court on 23/12/2024.

Sd/-

(Duvvuru RL Reddy)
Vice-President (KZ)

Kolkata, the 23rd day of December, 2024

*Copies to :(1) Pitamber Dealcom Pvt. Limited,
P-497B, Hemanta Mukhopadhyay Sarani,
Kolkata-700029*

*(2) Income Tax Officer,
Ward-12(2), Kolkata,
Aayakar Bhawan,
P-7, Chowringhee Square, Kolkata-700069*

(3) CIT(Appeal), 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.