

**IN THE INCOME TAX APPELLATE TRIBUNAL
PATNA BENCH, VIRTUAL HEARING AT KOLKATA**

**Before
SRI SANJAY GARG, JUDICIAL MEMBER
&
SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER**

**I.T.A. No.: 313/PAT/2023
Assessment Year: 2017-18**

Varun Kumar Agrawal **Appellant**
Gulzarbagh, Patna,
Bihar-800007.
(PAN: AHFPA0406N)

Vs.

ITO, Ward-6(4), Patna **Respondent**

Appearances:

Appellant represented by: *Shri Amit Kamaliya, FCA*
Respondent represented by: *Shri Ashwani Kr. Singal, JCIT*

Date of concluding the hearing : 22.01.2025

Date of pronouncing the order : 22.01.2025

ORDER

Per Sanjay Garg, Judicial Member:

The captioned appeal has been preferred by the assessee against the order dated 05.09.2023 of the Ld. Commissioner of Income Tax (Appeal), National Faceless Appeal Centre, Delhi [hereinafter referred to as Ld. 'CIT(A)'] u/s. 250 of the Income Tax Act, 1961 (hereinafter referred to as the "Act") for Assessment Year (AY) 2017-18.

2. The assessee in this appeal is aggrieved by the action of the Ld. CIT(A) in confirming the addition of Rs.61,12,000/- u/s. 69A of the Act on account of unexplained cash deposits in the bank account.

3. At the outset, the Ld. Counsel for the assessee has submitted that the assessee had duly explained before the Assessing Officer that the assessee was engaged in the business of trading of edible oil. That the aforesaid deposits were out of the sales/turnover of the assessee. That the assessee furnished the relevant documents including audited statement of its account, Balance Sheet, P&L Account, copy of bank statement and even month wise

purchase and sales, cash compliance report and even all the quarterly VAT returns. The Ld. Counsel for the assessee has further submitted that the impugned cash deposits were just 5% of its total turnover. That the Assessing Officer demanded the cash book. However, it was submitted that the cash book was voluminous and that the same could not be uploaded and time was sought to furnish the same. However, the Assessing Officer, without giving any time in this respect, made the impugned addition. The Ld. Counsel for the assessee has further submitted that even the Ld. CIT(A) has also failed to take note of the voluminous evidence furnished by the assessee to prove the source of the deposit in the bank account. He, therefore, has submitted that both the lower authorities, without properly considering and appreciating the evidence on the file, have made the impugned addition.

4. The Ld. DR, on the other hand, has submitted that since the evidence on the file has not been properly examined by the lower authorities, therefore, the matter may be restored to the file of the Assessing Officer for verification of the facts.

5. Considering the rival submissions, we are of the view that in this case, it may be appropriate to restore the matter to the file of the Assessing Officer with a direction to examine the contentions raised by the assessee and if it is found that there was sufficient cash receipts of the assessee out of its sales etc. which were deposited in the bank account, then, no addition would be warranted. We accordingly, restore the matter to the file of the Assessing Officer for examination of the issue afresh after considering the relevant evidences and explanations on the file.

6. In the result, the appeal of the assessee is treated as allowed for statistical purposes.

Order pronounced in the open Court.

Sd/-

[Sanjay Awasthi]
Accountant Member

Sd/-

[Sanjay Garg]
Judicial Member

Dated: 22.01.2025

J.Dey (Sr. P.S.)

Copy of the order forwarded to:

1. **Appellant : Varun Kumar Agrawal**
2. **Respondent : ITO, Ward-6(4), Patna**
3. **CIT(A), NFAC, Delhi**
4. **CIT**
5. DR, ITAT Patna Bench, Patna.
6. Guard File.

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By order

Assistant Registrar
ITAT, Patna Benches
Patna