

IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, AGRA

**BEFORE HON’BLE SHRI SATBEER SINGH GODARA, JM AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

आयकरअपील सं./ ITA No.123/Agr/2024
(निर्धारणवर्ष / Assessment Year: 2017-18)

Shri Kanhaiya Lal 1, Shiv Nagar, Etawah- 206001	बनाम/ Vs.	ITO 2(2)(5) Etawah
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AEEPL-0545-F		
(अपीलार्थी/Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Shri Roop Kishore Agrawal (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/Respondent by	:	Shri Shailendra Shrivastava – Ld. Sr. DR

सुनवाईकीतारीख/Date of Hearing	:	12-02-2025
घोषणाकीतारीख /Date of Pronouncement	:	12-02-2025

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order of learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 08-02-2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] on *best judgment* basis u/s. 144 of the Act on 20-09-2019.
2. In the assessment order, Ld. AO estimated business income of 8% on bank credits and determined business income of Rs.3.24 Lacs. The cash deposited during demonetized period for Rs.13.88 Lacs was separately added u/s 69A. The total income was thus determined at Rs.17.12 Lacs. The assessee is admittedly engaged in the business of

hardware. During appellate proceedings, the assessee's submissions were subjected to remand proceedings wherein Ld. AO still refused to accept the claim of the assessee. The assessee stated that the actual sales were Rs.51.05 Lacs which was supported by copy of trading account. The cash deposits and bank credits represent sales turnover only. The business income was arrived at Rs.4.31 Lacs which was to be accepted. The Ld. CIT(A), after due consideration, provided partial relief and held that sum of Rs.3.24 Lacs out of cash deposits during demonetization period for Rs.13.88 Lacs was to be considered as cash sales on which estimation could be made at 8%. The remaining assessment was confirmed. Aggrieved, the assessee is in further appeal before us.

3. The Ld. AR contended that all the bank credits represent business turnover only which is duly supported by the financial statements and therefore, the cash deposit during demonetization period could not be separately added u/s 69A. The Ld. AR further submitted that the assessee is in a position to establish the same if another opportunity of hearing is provided to the assessee. The Ld. Sr. DR has opposed any interference in the orders of lower authorities.

4. It is undisputed fact that the assessee is engaged in trading of hardware items and it do not have any other source of income. All the deposits in the bank account apparently represent sales turnover of the assessee which is supported by assessee's financial statements and other documents as placed in the paper-book. Under these circumstances, the cash deposits could not be separately added u/s 69A. Therefore, accepting the prayer of Ld. AR and on the given facts, we

deem it fit to restore the matter back to the file of Ld. AO for fresh adjudication with a direction to the assessee to substantiate its stand.

5. The appeal stand allowed for statistical purposes.

Order pronounced on 12th February, 2025.

Sd/-

(SATBEER SINGH GODARA)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-

(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

Dated: 12-02-2025

Mks

आदेश की प्रतिलिपि ँ ग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AGRA