

आयकर अपीलीय अधिकरण न्यायपीठ "एक-सदस्य" मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAIPUR BENCH "SMC", RAIPUR**

**श्री पार्थ सारथी चौधरी, न्यायिक सदस्य के समक्ष  
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER**

**आयकर अपील सं./ITA No.168/RPR/2025**

**निर्धारण वर्ष / Assessment Year : 2017-18**

Shri Tukaram,  
101, Korra, Dhamtari-493 770 (C.G.)  
PAN: BZPPR8935L

.....अपीलार्थी / Appellant

**बनाम / V/s.**

The Income Tax Officer,  
Ward-Dhamtari (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri Sakshi Gopal Agrawal, CA  
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 21.04.2025

घोषणा की तारीख / Date of Pronouncement : 21.04.2025

**आदेश / ORDER****PER PARTHA SARATHI CHAUDHURY, JM**

This appeal preferred by the assessee emanates from the order of the Ld. CIT(Appeals)/NFAC, Ahmedabad dated 28.01.2025 for the assessment year 2017-18 as per the following grounds of appeal on record:

“1. The Order of the ADDL/JCIT(A)-2, Ahmedabad is contrary to law, facts and circumstances of the case.

2. That on the basis of facts and circumstances of case of Appellant, the Id. Assessing Officer, ITO, Ward-Dhamtari ha erred for treating cash deposit of Rs.2,29,500/-during demonetization period in SBN in denomination of Rs.500/ and Rs.1000/- as unexplained money u/s. 69A of IT Act, when the source of cash deposit is very well explained, merely on the basis that cash deposited were SBN notified by central govt and acceptance of SBN were not prohibited under an law till 31/12/2016.

3. That on the basis of facts and circumstances of the case, the learned Assessing Officer, ITO, Ward-Dhamtari has erred for treating cash deposit of Rs.2,29,500/- during demonetization period in SBN in denomination of Rs.500/- and Rs.1000/- a unexplained money u/s 69A of IT Act when it was clear that receipt was from sale of mobile recharge coupon which was properly recorded in books of accounts and books were neve been rejected by Id. AO and Ld. ADDL/JCIT(A)-2, Ahmedabad has erred for confirming the same.

4. The Ld. AO and ADDL/JCIT(A)-2, Ahmedabad ought to have appreciated it is not the case that deposits in SBN has come out from undisclosed sources or under suspicious circumstances only to change the colour of money.

5. That, Appellant reserves the right to add, amend, alter or withdraw any ground/grounds of appeal at the time of hearing.”

2. At the very outset, the Ld. Counsel for the assessee submitted that the assessee is dealing with mobile recharge receipts. The addition has been made by the A.O regarding cash deposits in Specified Bank Notes (SBNs) of Rs.2,29,500/- during the demonetization period treating the same as unexplained money u/s.69A of the Income Tax Act, 1961 ( for short 'the Act') which was upheld by the Ld. CIT(Appeals)/NFAC.

3. In this regard, it is noted that the revenue authorities have accepted the business of the assessee and there is no dispute with regard to the purchase/sales reported by the assessee. Further, the department has not brought on record any evidence suggesting any alternative source of income of the assessee other than the disclosed sources of income. The only contention of the department regarding addition is that such cash deposits were made in SBNs currency during demonetization period. The department has failed to bring out that such cash deposits are unexplained since the fact remains that the department has not disputed the business source income of the assessee. Therefore, in effect addition cannot be made in this case u/s. 69A of the Act. That the ITAT, Raipur in the case of **Payel Verma Vs. the Income Tax Officer, Ward-1(3), Bhilai (C.G.), ITA No. 341/RPR/2024, dated 09.04.2025**, on identical facts and issues held as follows:

“4. I have carefully considered the submission of the parties herein, analyzed the facts and circumstances in this case. The department had not disputed the nature of business of the

assessee that the assessee is a wholesaler and selling goods to the retailers. The department had also not disputed that some of the retailers are also petty pan-walas/pan shop owners who do not have adequate documents either from the perspective of the income tax or from the perspective of the sales tax. Some of the petty pan-walas also conducts their business in some carts/trolley and they are not available every time at one single place. These realities have also not been disputed by the department. The Department has not questioned the turnover of the assessee and also has accepted the business module conducted by the assessee. Books of accounts of the assessee has also been accepted by the department. When all these parameters have been fulfilled by the assessee, there cannot be any addition u/s.69A of the Act treating the cash deposits in the bank account as unexplained money of the assessee. In view thereof, I set-aside the order of the Ld. CIT(Appeals)/NFAC and direct the A.O to delete the addition of Rs.17,61,000/- from the hands of the assessee.”

Respectfully following the same parity of reasoning and in the similar set of facts and circumstances, the department is directed to delete the addition of Rs.2,29,500/- from the hands of the assessee.

4. As per the above terms the grounds of appeal raised by the assessee are allowed.
5. In the result, appeal of the assessee is allowed.

Order pronounced in open court on 21<sup>st</sup> day of April, 2025.

Sd/-

**(PARTHA SARATHI CHAUDHURY)**

**न्यायिक सदस्य/JUDICIAL MEMBER**

रायपुर / Raipur; दिनांक / Dated : 21<sup>st</sup> April, 2025.

SB, Sr. PS

**आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT-1, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "एक-सदस्य" बेंच,  
रायपुर / DR, ITAT, "SMC" Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur