

**IN THE INCOME TAX APPELLATE TRIBUNAL "SMC" BENCH, RANCHI
(Virtual Hearing at Kolkata)**

**BEFORE SHRI GEORGE MATHAN, JM
AND
SHRI RATNESH NANDAN SAHAY, AM**

**ITA No. 62/RAN/2023
(Assessment Year: 2017-18)**

JAGDISH PRASAD VIJAY
32/C, LOWER URDWAN
COMPOUND, LALPUR, RANCHI
834001, JHARKHAND, Ranchi,
Jharkhand, 834001

(Appellant)

CIT (A)
RANCHI, JHARKHAND, Ranchi,
Jharkhand, 834001

Vs.

(Respondent)

PAN No. AAYPV0704C

Assessee by : Shri Amresh Kumar Jain, AR
Revenue by : Shri Khub Ch. Pandaya, Sr. DR

Date of hearing: 28.04.2025
Date of pronouncement : 28.04.2025

ORDER

PER BENCH:

This appeal is filed by the assessee against the order of National Faceless Appeal Centre, Delhi [the learned CIT (A)] in DIN and order No. ITBA/NFAC/S/250/2022-23/1049067198(1) dated 24.01.2023 for A.Y. 2017-18.

02. Shri Amresh Kumar Jain, AR represented on behalf of the assessee and Shri Khub Ch. Pandaya, Sr. DR represented on behalf of the Revenue.
03. It was submitted by the Id. AR that the assessee is running a grocery shop and having a turnover of ₹20 lacs. It was submitted that the assessee had deposited ₹14.95 lacs in the bank account of the assessee during the demonetization period. It was submitted that this was out of the debtors encashment and withdrawals from the bank on earlier days.

It was submitted that amount of ₹14.95 lacs was from sale proceeds. It was submitted the amount of ₹14.95 lacs has not been specified by the Id. AO as demonetized currency or SBN notes. It was submitted that SBN notes is only to the extent of 10,000/- which was deposited on 26.12.2016. It was submitted that this deposits of SBN notes has been accepted by the AO but the cash deposited in the bank account to the extent of ₹14.95 lacs has been treated as unexplained income of the assessee. It was submitted that the assessee had filed its return of income by applying provisions of Section 44AD of the Income-tax Act, 1961 (the Act). It was submitted that the entire turnover of the assessee has now been brought to tax. It was prayer of the assessee that the addition as has been made by the AO and partly reduced by the CIT (A) is liable to be deleted.

04. In reply, the Id. SR. DR submitted that the Id. CIT (A) have already granted the assessee a relief of ₹2,50,000/- by relying on the circular issued by the CBDT in regard to limit of ₹2,50,000/- which has been directed by CBDT.
05. I have considered the submission. On perusal of the assessment order clearly shows that the said amount of ₹14.95 lacs is not an addition in respect of SBN notes as has been demonetized during the relevant period. These are only cash deposits during the relevant period of demonetization. The ledger accounts of the debtors of and the debtors list clearly shows that these are amounts received by the assessee. On perusal of the cash-in-hand extract for the year 2016-17 also shows that assessee had adequate drawings from the bank and collection from the debtors to make the deposits of ₹14.95 lacs. It must also be mentioned here that the SBN notes which has been deposited by the assessee on 26.12.2016 for an amount of ₹10,000/- has been accepted

by the AO also. This being so as the assessee has explained the source for the deposits of ₹14.95 lacs in the bank account, the addition made by the AO and partly confirmed by the CIT (A) stands deleted.

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

Order pronounced in the open court on 28.04.2025.

Sd/-
(RATNESH NANDAN SAHAY)
(ACCOUNTANT MEMBER)

Sd/-
(GEORGE MATHAN)
(JUDICIAL MEMBER)

Kolkata, Dated: 28.04.2025

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Ranchi