

IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

ITA No. 312/Ran/2024
(Assessment Year-2017-18)
(Virtual Hearing)

Ranjit Prasad Sahu, Hosir, P.O. Lalpania, Dist.- Bokaro-829149 (Jharkhand) PAN No. AKKPK 9351 J	Vs.	A.C.I.T., Hazaribagh.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Shri Devesh Poddar, Adv.
Department represented by	Shri Khubchand T. Pandya, Sr.DR
Date of hearing	05/05/2025
Date of pronouncement	05/05/2025

ORDER

PER: BENCH

1. This appeal by the assessee is directed against the order of National Faceless Appeal Centre (NFAC), Delhi/learned Commissioner of Income Tax (Appeals) (in short, the Id. CIT(A)) dated 01/06/2024 for the A.Y. 2017-18. In this appeal, the assessee has raised following grounds of appeal:

- "1. *The Ld. Commissioner of Income Tax (Appeals) is not justified in dismissing the appeal on the grounds that the Appellant did not submit the Daywise Cash Deposit into bank. Monthwise Cash Summary. Copy of Sales Register, Monthwise and Partywise Sales, Quantitative Details, Monthwise Purchase Details and Monthwise balance of Closing Stock etc. Such details were never been called for except the written submission. All these details are attached.*
2. *The Ld. Assessing Officer is not justified in treating the whole cash deposit in to bank during the demonetisation period as unexplained money u/s 69 of the Income Tax Act, 1961 read with Section 115BBE of the Income Tax Act, 1961 and the Ld. Commissioner of Income Tax (Appeals) is not justified in upholding the action of the Ld Assessing Officer on the grounds that the Appellant did not submit the Daywise Cash Deposit into bank. Monthwise Cash Summary, Copy of Sales Register, Monthwise and Party wise Sales, Quantitative Details of Stock, Monthwise Purchase details and Monthwise balance of Closing Stock etc. The Appellant was unable to present all these documents/information before the Ld.*

Assessing Officer due to non compliance caused by some unavoidable reasons. All these details are attached.

3. *The Ld. Assessing Officer is not justified in levying the tax under Section 115BBE of the Income Tax Act, 1961 and the Ld. Commissioner of Income Tax (Appeals) is not justified in upholding the action of the Ld Assessing Officer on the grounds that the whole cash deposit during the demonetisation period is unexplained money u/s 69 of the Income Tax Act, 1961. The Appellant was unable to offer his explanation before the Ld. Assessing Officer due to non compliance caused by some unavoidable reasons."*
2. Facts of the case, in brief, are that the appellant is a proprietor of M/s Ranjeet Fuel Centre, Lalpania, Bokaro, a retail outlet of petroleum products of Hindustan petroleum Corporation Ltd.. During the assessment year under consideration, the Assessing Officer received information through AIMS Module of ITBA that during the period of demonetization, the assessee has made cash deposit of Rs. 36,66,490/- in the State Bank of India, Lalpania bearing account No. 33511430291. The Assessing Officer, therefore, added the entire cash deposit of Rs. 36,66,490/- under Section 69A of the Income Tax Act, 1961 (in short, the Act) on which tax was payable under Section 115BBE of the Act. A penalty proceeding under Section 271AAC of the Act was also initiated on the ground that the assessee has failed to give any explanation on the source of cash deposits in response to the notice issued under Section 142(1) and 148 of the Act. The Assessing Officer passed the assessment order under Section 147 r.w.s. 144 of the Act.
3. Aggrieved by the order of Assessing Officer, the assessee filed appeal before the Id. CIT(A). The Id. CIT(A) vide the impugned order, confirmed the order of Assessing Officer on the ground that, though, the appellant had given the details of monthwise cash deposits in different bank accounts made during the F.Y. 2016-17 and the cash book, however, the appellant had not filed the

datewise cash deposits in bank, monthwise cash summary, copy of sales register, monthwise and partywise sales, cash deposits in the bank etc. further, the appellant had not provided quantitative details, purchase of goods monthwise and the closing balance of stock monthwise and thus inference can be drawn that unaccounted demonetized currency available with the assessee has been introduced in the books of account in the form of cash receipts from bogus bills.

4. Aggrieved by the order of Id. CIT(A), this appeal has been preferred by the assessee before us. During the appellate proceedings before us, the Id. AR of the assessee filed a written submissions and the contents of the same are as under:

- "1. That the assessee is engaged in the business of Petrol Pump and Misc contract work.*
- 2. That during the assessment proceedings, the AO made an addition of Rs. 36,66,490/- as alleged unexplained cash deposited in the SBI Bank account xxxx0291 during the demonetisation period which has been confirmed by Ld CIT(A) in the impugned order.*
- 3. That before the lower authorities we have submitted that the assessee is engaged in the business of Petrol Pump and that Petrol Pumps were exempt/ allowed to accept the demonetised currency of Rs. 500/- and Rs. 1000/- and that the cash which has been deposited in the bank account is out of the sales which is duly recorded in the books of the assessee. However the submission of the assessee was brushed aside and the addition was made.*
- 4. That it is not in dispute that this SBI account xxxx029 I was an OD account which was duly disclosed in the books of the assessee which can be verified from the audited balance sheet attached herewith at Page 03.*
- 5. That during the year the assessee has maintained 6 bank accounts, wherein the total credits was Rs. 4,65,53,900/-. The group summary of bank book along with individual bank summary is attached herewith at Page 05 - 11.*
- 6. That against the total credits of Rs. 4,65,53,900/- we had explained that Rs. 25,31,771/- was interbank transfer i.e. from one bank account of the assessee to another bank account of the assessee. A summary of the total transfer is attached*

herewith at Page 12. Thus the effective credit in the bank account was Rs. 4,40,22,129/- against which the assessee has disclosed a turnover of Rs. 4,50,36,957/-. The audited Profit & Loss A/c is attached herewith at Page 04.

7. *That thus we submit that the cash deposited in the SBI account xxxxx0291 stands duly recorded in the audited books of the assessee and has been considered in the turnover declared and thus any addition made will amount to double taxation which is not permissible in law. As such, the addition made for Rs. 36,66,490/- is fit to be deleted."*
5. On the other hand, the Id. Sr. DR for the revenue has placed reliance on the orders of the lower authorities.
6. We have considered the rival submissions of both the parties and perused the material on record. We find that the Id. CIT(A) in the impugned order has already mentioned that during the course of appellate proceedings, it was submitted by the appellant that the appellant is a proprietor of M/s Ranjeet Fuel Centre, Lalpania, Bokaro, a retail outlet of petroleum products of Hindustan petroleum Corporation Ltd. and has been maintaining regular books of account and the books of account are also audited every year. The tax audit report was filed before him for the relevant assessment year. The appellant filed his return of income for the assessment year under consideration showing a total income of Rs. 6,45,710/-. The Id. CIT(A) has admitted that the appellant is a proprietor of petrol pump where the cash sale is a normal phenomena. During demonetization period, cash deposited out of cash sales during this period is a normal thing and he has found it is a normal practice that cash is deposited in the sale of petrol and other petroleum products are sold in cash which has been done by the assessee during the financial year under consideration as well as in the earlier years. Thus, the assessee company is following a normal practice as done in other cases of petrol pumps. However,

the Id. CIT(A) confirmed the addition on the ground that the onus was on the assessee to explain before the Assessing Officer about the cash deposits made in the said bank account, which he was failed to do so.

7. Thus, we find that the Id. CIT(A) has failed to bring out any discrepancy in the books of account which was also audited. The Id. CIT(A) also found no abnormalities in the pattern of cash deposits made during the demonetization period in comparison to earlier months. The Id. CIT(A) also did not consider that the petrol pumps were exempted/allowed to accept demonetized currency of Rs. 500/- and Rs. 1000/- during the period of demonetization and since no discrepancy was found either by the Assessing Officer and the Id. CIT(A) in the books of account maintained by the assessee company, any addition made on account of cash deposits will tantamount to double taxation as has been claimed by the Id. AR of the assessee. Thus, in view of the facts and circumstances stated above, we delete the addition made by the Assessing Officer. In the result, grounds of appeal raised by the assessee are allowed.
8. In the result, this appeal of assessee is allowed.

Order announced in open court on 05th May, 2025.

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER
Ranchi, Dated:05/05/2025

**Ranjan*

Copy to:

1. Assessee
2. Revenue
3. CIT
4. DR
5. Guard File

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

By order

Sr. Private Secretary, ITAT, Ranchi