

आयकर अपीलीय अधिकरण
दिल्ली पीठ "एस एम सी", दिल्ली
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC", DELHI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

आअसं.1231/दिल्ली/2025 (नि.व. 2017-18)

ITA No.1231/DEL/2025 (A.Y.2017-18)

Vipin Polymers P. Ltd.,
C-1/4, Ground Floor, Prashant Vihar,
Rohini, Delhi 110085

PAN: AAACV-9497-P

..... अपीलार्थी/Appellant

बनाम Vs.

Income Tax Officer, Ward-26(3),
C R Building, ITO, IP Estate,
Delhi 110002

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by

: Shri Subodh Jain, Advocate and
Shri Samyak Jain, Chartered Accountant

प्रतिवादीद्वारा/ Respondent by

: Shri Manoj Kumar, Sr. DR

सुनवाई की तिथि/ Date of hearing

: 21/05/2025

घोषणा की तिथि/ Date of pronouncement:

: 21/05/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (hereinafter referred to as 'the CIT(A)') dated 12.02.2024, for assessment year 2017-18.

2. The appeal is time barred by 304 days. The assessee has filed an application seeking condonation of delay in filing of appeal supported by an affidavit. After perusing the application for condonation of delay, I am satisfied that delay in filing of present appeal is un-intentional and was for the reasons stated in the application which appears to be bonafide. Hence, delay of 304 days in filing of appeal is condoned and appeal is admitted for hearing on merits.

3. Shri Subodh Jain, appearing on behalf of the assessee submits that the assessee is engaged in manufacturing and trading of cotton coated fabric. During the period relevant to assessment year under appeal, the total sales of assessee were Rs.60,36,630/-. No fresh purchases were made by the assessee during the Financial Year 2016-17 as no manufacturing activity was carried out by the assessee. The assessee had only cleared old stock during FY 2016-17. The Assessing Officer (AO) made addition of Rs.30,00,000/- on account of cash deposits during demonetization period. The assessee explained to AO that the cash deposits were from cash sales and the said sales have already been disclosed in the books. The entire cash sales were deposited on a single date i.e. on 12.11.2016. The AO did not accept the submissions of assessee and made addition of Rs.30,00,000/- u/s. 68 of the Income Tax Act,1961(hereinafter referred to as 'the Act'). The Id. Counsel pointed that the entire cash sales are against invoices, the same are placed on record at pages 26 to 43 of the paper book. Aggrieved by the assessment order dated 29.12.2019 passed u/s. 143(3) of the Act, the assessee filed appeal before the CIT(A). The CIT(A) in an ex-parte proceedings confirmed the addition. Hence, present appeal by the assessee. The Id. Counsel prayed for deleting the addition in light of the submissions and explanation furnished by the assessee with regard to source of cash deposits.

4. Per contra, Shri Manoj Kumar representing the department vehemently defended the impugned order. The Id. DR submits that the cash deposits were only during demonetization period, prior to demonetization and post demonetization there were no cash deposits in the bank account of the assessee. He thus prayed for upholding the impugned order and prayed for dismissing appeal by the assessee.

5. Both sides heard, orders of the authorities below examined. The solitary issue in appeal is against confirming addition of Rs.30,00,000/- on account of cash deposits in the bank account during the period of demonetization. The contention of the assessee is that cash deposits in the bank account during demonetization period are from cash sales. The assessee has placed on record bank statements at pages 44 to 46 of the paper book. A perusal of the bank statement reveals that the assessee has deposited cash Rs.30,00,000/- on 12.11.2016. Except for cash deposits on aforesaid single day, there is no other transaction of cash deposits during the period of demonetization or thereafter. Therefore, the observation of the AO that the assessee has deposited old currency notes during demonetization starting from 23.11.2016 to 09.12.2016 is contrary to the facts and documents on record. Nevertheless, the sales declared by the assessee have been accepted by the AO. Thus, the cash sales are part of the total sales of Rs.60,36,630/- declared by the assessee in its books of accounts. Once the cash sales have been accepted, there is no reason for disbelieving assessee's explanation with regard to source of cash deposits in the bank. I find merit in the submissions of the assessee, hence, addition of Rs.30,00,000/- is directed to be deleted.

6. In the result, impugned order is *set aside* and appeal of the assessee is allowed.

Order pronounced in the open court on Wednesday the 21st day May, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 21.05.2025

NV/-

प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Dy./Asstt. Registrar) ITAT, DELHI