

आयकर अपीलीय अधिकरण, कटक न्यायपीठ, कटक
IN THE INCOME TAX APPELLATE TRIBUNAL CUTTACK BENCH CUTTACK

**BEFORE SHRI DUVVURU RL REDDY, VICE PRESIDENT
AND
SHRI RAJESH KUMAR, ACCOUNTANT MEMBER**

(THROUGH VIRTUAL HEARING AT KOLKATA)

आयकर अपील सं/ITA No.223/CTK/2025
(निर्धारण वर्ष / Assessment Year : 2016-2017)

Tanuja Chhatoi, Balabhadrapur, Chhatra Bazar, Arunodaya Market, Cuttack	Vs	ITO, Ward-1(1), Cuttack
PAN No. : AFJPC 8959 E		
(अपीलार्थी / Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से / Assessee by	:	Shri Ambika Prasad Mohanty, CA
राजस्व की ओर से / Revenue by	:	Shri Vijay Singh, Sr. DR
सुनवाई की तारीख / Date of Hearing	:	21/08/2025
घोषणा की तारीख / Date of Pronouncement	:	28/08/2025

आदेश / O R D E R

Per Duvvuru RL Reddy, VP :

This is an appeal filed by the assessee against the order of the Id. CIT(A), National Faceless Appeal Centre (NFAC), Delhi, dated 04.03.2025 for the assessment year 2016-2017.

2. Brief facts of the case are that the assessee is an individual and had not filed her return of income for A.Y.2016-2017. As per the information available with the department, the assessee has deposited huge cash of Rs 53,02,756/- in her bank account maintained with SBI and with UCO Bank during the F.Y 2015-16 relevant to the A.Y 2016-17. Since the assessee had not filed her original return of income u/s 139(1) of the Act, the case of the assessee was reopened u/s 147 of the Act and the assessee was asked to file the return of income. In response, the

assessee has filed her return of income on 25.04.2023 declaring total income at Rs 3,19,490/- u/s 44AD of the Act on the total sale proceeds of vegetable of Rs 43,07,974/-. During the assessment proceedings the assessee was asked to furnish the source of the aforesaid cash deposits made in the SBI and the UCO bank. In response it was stated by the assessee that the cash deposit in her account is from the sale proceeds of agricultural products which are purchased from local vendors. However, the contention of the assessee was rejected by the AO after making the observation that Bank account statement of appellant 's account no. 337223933621 maintained with SBI shows that every withdrawal transferred debit entry pertains to a single account no. i.e. 0033155705078 which shows that no genuine business was conducted by the assessee and rather the account was used for routing the unaccounted money. Moreover, after perusing the statement of account no. 08760103114376 maintained with the UCO bank, it was seen by the AO that all the credit entries are squared off over a span of few days. On 03.04.2015, there is credit entry of Rs. 1,92,000/- and on 06.07.2015, there is a credit entry of Rs. 5,25,756/- which according to assessee was the sales proceeds from selling vegetables on road side which in the view of the AO does not pass the test of human probabilities and surrounding circumstances. In addition, it was also noted by the AO that these entries are squared off either same day or after few days. In view of the above facts, it was held by the AO that the contention of the assessee that she has conducted business of vegetables during the year under

consideration is nothing but an aftermath to mask the unaccounted cash deposits. Accordingly, the cash deposits of Rs 48,61,368/- in account no 337223933621 maintained with State Bank of India and cash deposits made to the tune of Rs 16,63,420/- made the in UCO bank account no 08760103114376 aggregating to Rs 65,24,788/- during the year under consideration is added back to the income of the appellant t u/s 69A of the Act. Aggrieved by the order the assessee filed appeal before the Id. CIT(A) and the Id. CIT(A) confirmed the view taken by the Assessing Officer as the assessee was non-cooperative in furnishing the relevant documents in regard to her claim during the course of appellate proceedings. Aggrieved thereby, the assessee is in further appeal before the Tribunal.

3. Ld.AR before us submitted that the assessee is a lady and had not cooperated in the assessment proceedings. It was the submission of the Id.AR that the assessee has submitted her written submission during the course of appellate proceedings, which has not been considered by the Id.CIT(A). It was the submissions that the details have not been produced properly before the Id AO and Id CIT(A). Ld. AR further submitted that the cash deposit in her bank account is from the sale proceeds of agricultural products which are purchased from local vendors and she has offered 6% of total cash deposits as income from business and profession. Ld.AR further submitted that the assessee's spouse carries on business of petrol pump and the Current bank account No. 0033155705078 with State bank of India which belongs to her spouse. The fact has also been observed by

the AO in the assessment order at page 4. Ld. AR further submitted that the reason for cash deposit in the assessee's SB account was due to imposition of cash handling charges in current account of her spouse Mr Premananda Chhatoi, Prop- Nigam Fuel having PANADBPC0633P with a thinking that if some amount is deposited in other account, there would be saving in cash handling charges of her spouse. Later on the entire amount was transferred to the Petrol Pump Current Account No. 0033155705078 with State bank of India which belongs to her spouse , Mr Premananda Chhatoi, Prop- Nigam Fuel having PAN- ADBPC0633P. Mostly all the deposits are relating to petrol pump business of spouse of assessee and are duly offered to income tax, therefore the AO is wrong in holding amounts transferred to other bank account as income of the assessee without making proper inquiry or out of guess, suspicion and surmise. The above submissions of the assessee has been stated in Form 35. It was also submitted by the Id.AR that the assessee is having sufficient evidence to substantiate her claim by submitting the relevant documents before the Assessing Officer, if one more opportunity is granted.

4. On the other hand, Id Sr DR vehemently supported the orders of the authorities below.

5. We have considered the rival submissions. A perusal of the impugned order at para 5.3 shows that the assessee was unable to submit the books of accounts, documentary evidence of having agricultural land, agricultural activity and expenses details, purchase

invoices, stock registers, sales records VAT/GST registrations or transport details to validate the alleged vegetable business by the assessee. A further perusal of the impugned order it is clear that the assessee has submitted her written submissions explaining the deposit of cash before both the authorities below, however, the same has not been accepted by either of the lower authorities on account of shorts of documentary evidence. However, a perusal of the statement of facts in Form 35 shows that the assessee has clarified the reason for cash deposit in the assessee's SB account due to the fact that the assessee's spouse carries on business of petrol pump and the Current bank account No. 0033155705078 with State bank of India belongs to her spouse. This fact has also been noted by the AO in the assessment order at page 4. The deposits are mostly relating to petrol pump business of spouse of assessee and are duly offered to income tax, therefore the AO is wrong in holding amounts transferred to other bank account as income of the assessee. Therefore, in the interest of justice, we grant one more opportunity to the assessee to produce all the relevant documents in respect of her claim before the Id.AO and the Id. AO shall pass the order afresh after considering the submissions of the assessee along with the documentary evidences to be produced by the assessee. Needless to say the assessee shall be given sufficient opportunity of being heard.

6. In the result, appeal of the assessee stands partly allowed for statistical purposes.

Order pronounced in the open court on 28/08/2025.

**Sd/-
(RAJESH KUMAR)**

लेखा सदस्य/ ACCOUNTANT MEMBER

**Sd/-
(DUVVURU RL REDDY)**

उपाध्यक्ष / VICE PRESIDENT

दिनांक Dated 28/08/2025

Prakash Kumar Mishra, Sr.P.S.

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

1. अपीलार्थी / The Appellant-
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, कटक / DR, ITAT, Cuttack
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

(Assistant Registrar)

आयकर अपीलीय अधिकरण, कटक/ITAT, Cuttack