

आयकर अपीलीय अधिकरण न्यायपीठ “एक-सदस्य” मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAIPUR BENCH “SMC”, RAIPUR**

**(Virtual Hearing)**

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

**आयकर अपील सं./ITA No.121/RPR/2026**

**निर्धारण वर्ष /Assessment Year : 2018-19**

Suryakiran Earthmovers Pvt. Ltd.  
56, Nevjeevan Society, Pachpedi Naka,  
Raipur-492 001 (C.G.)  
PAN: AAXCS6196B

.....अपीलार्थी / Appellant

**बनाम / V/s.**

The Deputy Commissioner of Income Tax,  
Circle-1(1), Raipur (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri Vinay V. Kawdia, CA  
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 06.03.2026

घोषणा की तारीख / Date of Pronouncement : 06.03.2026

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

The present appeal preferred by the assessee emanates from the order of the Ld.CIT(Appeals)/NFAC, Delhi dated 05.02.2026 for the assessment year 2018-19 as per the grounds of appeal on record.

2. In this case, it is an admitted fact that there is violation of Section 269ST of the Income Tax Act, 1961 (for short 'the Act') and that the assessee had received cash exceeding to Rs.2 lakhs from individual persons in respect of single transaction. The same fact has been admitted by the Ld. Counsel which is evident in the written submission enumerated in the order of the Ld. CIT(Appeals)/NFAC at Page 12 & 13 and the same are extracted as follows:

## Ground No. 3:

Relevant Sec. of IT Act	Issue	Ground
S. 271DA	Appellant filed detailed reply to the notice u/s 271DA and proved the genuineness of transaction in question and presented good and sufficient reasons for accepting cash of Rs. 34,30,000/- in alleged contravention of section 269ST of the Act with necessary documentary evidences.	Under the facts and in the circumstances of the case and in law and without prejudice to other grounds, the learned AO has grossly erred in facts and in law in levying penalty u/s 271DA without appreciating the submission of the appellant and by completely ignoring the good and sufficient reasons furnished by the appellant for the technical violation of section 269ST of the Act.

1. The assessee is a company incorporated in the year 2016 (i.e. only one year before from the year under consideration). The assessee is authorized dealer of "Tata Hitachi Construction Machinery Private Limited" and engaged in the business of retail sale of construction excavators, mining excavators, backhoe loaders, wheel loader and their parts.

2. During the year under consideration assessee accepted cash towards margin money for sale of machinery to various parties as follows:

Name of the payer	PAN	Cash received	Tax Invoice No.	Invoice Date	Invoice amount (Including VAT/GST)

Sarju Prasad Mishra	ALDPM4376P	6,00,000	SEMP/MC/20 17-18/0024	01.04.17	49,29,000
Laxmikant Harit	ABMPH9122M	3,48,000	17180356	30.09.17	45,48,000
Pawan Kumar Sahu	DEWPS9418P	16,61,000	17180718	20.11.17	51,96,610
Sumit Jaiswal	AGCPJ9548G	6,21,000	17181177	06.01.18	52,70,000
Nirbha Ram Sahu	BMEPS0847N	2,00,000	17180207 17181580 17181597	31.08.17 28.02.18 07.03.18	42,70,000 51,00,000 14,50,000
Total		34,30,000			3,07,63,610

3. Owing to high cost of machineries, the balance amount was received by appellant company through e-transfer directly from lender banks/NBFC i.e. out of disbursement of loan sanctioned to above customers.

4. All the above sales invoices are attached separately for ready reference. Description of Machinery sold with actual photographs is also attached.

5. The payers referred above are petty contractors and mostly belong to remote locations of the State of Chhattisgarh and habitual to transact in cash. They are not much habitual to the banking system, hence in order to facilitate them and with the intention to not to lose the business, the assessee accepted the cash payment purely out of business exigencies. The cash received by the assessee from the above referred payers has been deposited in the bank accounts only either in same day or after few days and the same is also recorded in the books of accounts.

6. It goes without saying that the customers is the king in today's market and the competition is soaring. Every businessman is bound to serve their customers at their best possible manner in order to sustain in the market.

7. Further, it should also be noted that the turnover of the assessee was Rs. 52 Crore (approximately) during the year under consideration whereas the assessee has received only Rs. 34.30 lakh in other than prescribed mode that constitute 0.65 % of the total turnover. Similarly, the assessee has sold 111 machineries during the year under consideration, out of which the assessee has received cash from only five customers. **This shows that the cash accepted from only five customers was purely out of business compulsion and to facilitate those customers and with the intention to not to lose any single business opportunity as a prudent businessman.**

8. In view of above, the learned AO has grossly erred in facts and in law in levying penalty u/s 271DA without appreciating the submission of the appellant and by completely ignoring the good and sufficient reasons furnished by the appellant for the technical violation of section 269ST of the Act.

3. Further, the Ld. Counsel for the assessee submitted that there is substantial transaction during the year, out of which, only in respect of 5 parties, violation of Section 269ST of the Act had taken place. It was submitted by the Ld. Counsel for the assessee that they had already explained good and sufficient reasons within the meaning of Section 271DA of the Act. However, such reasons did not find favour with the Ld. CIT(Appeals)/NFAC who had confirmed the findings of the A.O. However, a prayer has been made by the Ld. Counsel that in terms with welfare legislation, of which, Income Tax Act is part and parcel, an opportunity may be accorded to the assessee to explain before the Ld. CIT(Appeals)/NFAC good and sufficient reasons as per proviso to Section 271DA of the Act.

4. Per contra, the Ld. Sr. DR supported the findings of the Revenue authorities and stated that the fiscal statute has to be interpreted in strictest form and there cannot be any liberal interpretation allowed while adjudicating on the issues emanating from the Act.

5. Having heard the submissions of the parties herein, even without going into the merits of the matter, since a prayer has been made by the Ld. Counsel for the assessee to explain sufficient cause in terms with proviso to Section 271DA of the Act and keeping in view of the principles of natural justice as enshrined within the interpretation of welfare

legislation, the position of the Revenue will not be jeopardized if one final opportunity is provided to the assessee. In view thereof, I set-aside the order of the Ld. CIT(Appeals)/NFAC and remand the matter back to its file with a direction to the assessee shall explain good and sufficient cause in terms with proviso to Section 271DA of the Act and the Ld. CIT(Appeals)/NFAC shall adjudicate the matter on merits as per law.

6. As per the aforesaid terms, grounds of appeal of the assessee stands allowed for statistical purposes.

7. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in open court on 6<sup>th</sup> day of March, 2026.

Sd/-  
**(PARTHA SARATHI CHAUDHURY)**  
न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर / Raipur; दिनांक / Dated : 6<sup>th</sup> March, 2026.

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