आयकर अपीलीय अधिकरण,चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, 'B' CHANDIGARH

BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER

आयकर अपील सं./ ITA No. 115/CHD/2025
निर्धारण वर्ष / Assessment Year: 2017-18

Shri Sudesh Jain, C/o Rajiv Goel & Associates 179, Bank Road, Ambala Cantt.	Vs	The ITO, Ward – 4, Ambala.
स्थायी लेखा सं./PAN NO: AEVPJ6699B		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

Assessee by : Shri Dhruv Goel, CA
Revenue by : Dr. Ranjit Kaur, Addl. CIT Sr.DR

Date of Hearing : 09.10.2025
Date of Pronouncement : 12.11.2025

PHYSICAL HEARING

O R D E R

PER RAJPAL YADAV, VP

The assessee is in appeal before the Tribunal against the order of the ld. Commissioner of Income Tax (Appeals) [in short 'the CIT (A)'] dated 27.11.2024 passed for assessment year 2017-18.

2. The assessee has taken six grounds of appeal, however, his grievance revolves around a single issue, namely, ld.CIT

(Appeals) has erred in confirming the addition of Rs.63,41,000/- which was added by the AO with the aid of Section 68 of the Income Tax Act and charged the tax at a higher rate u/s 115BBE of the Income Tax Act. The rest of the grounds are peripheral arguments to this central point.

3. The brief facts of the case are that assessee is an individual engaged in wholesale and retail sale of sugar, edible oil and other foodgrains range. He has filed his return of income on 31.10.2017 electronically declaring total income at Rs.3,91,250/-. The case of the assessee was selected for scrutiny assessment and notices were issued u/s 143(2)/142(1) of the Act respectively. The AO was of the view that during demonetization period, assessee has deposited a sum of Rs.68,35,000/-. Therefore, he was of the view that such deposit was made out of unexplained cash available with the assessee. He only given credit of Rs.4,60,000/- representing the cash sales made by the assessee. Accordingly, an addition of Rs.63,41,000/- was made to the total income of the assessee. The appeal to the CIT (Appeals) did not bring any relief to the assessee.

4. With the assistance of the ld. Representative, we have gone through the record carefully. A perusal of the record would indicate that assessee has sufficient stock which was sold by him and out of the sale proceeds, deposits have been made. The ld. Revenue Authorities have not analytically examined the facts and circumstances of the case nor the stock position available with the assessee as on 01.04.2016 vis-a-vis 31.03.2017. The AO has only made an analysis of the cash position during the demonetization period whereas he ought to have taken a holistic picture of the whole year and then work out whether any extra cash was available with the assessee or not. The AO has read the details halfheartedly and unnecessarily created an artificial bifurcation of the business undertaken during the period. Therefore, we are of the view that assessee has made sales during the year in cash and assessee's cash balance is being deposited in the account. The assessee was even eligible to make cash sales during demonetization period because he was dealing in edible oil, sugar and grain items. Accordingly, we allow the ground of

appeal and delete the addition of Rs.63,41,000/- made by the AO.

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

Order pronounced on 12th November,2025.

Sd/- Sd/-

(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

(RAJPAL YADAV)
VICE PRESIDENT

"Poonam"

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्ड फाईल/ Guard File

सहायक पंजीकार/ Assistant Registrar