

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAJKOT BENCH, RAJKOT  
(Conducted through E-Court at Ahmedabad)**

**BEFORE Ms. SUCHITRA KAMBLE, JUDICIAL MEMBER AND  
SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

**ITA No.92/RJT/2017  
Assessment Year: 2007-08**

Income Tax Officer,  
Ward-1(2)(4), Rajkot.

(Appellant)

vs. Shri Maheshkumar A. Gangwani,  
Prop. of Bhagvati Trading Co.,  
8, Lati Plot, Rajkot – 360 001.  
[PAN – ADMPG 8269 L]  
(Respondent)

Appellant by : Shri Karun Ojha, CIT D.R.  
Respondent by : None

Date of hearing : 02.08.2022

Date of pronouncement : 07.09.2022

**ORDER**

**PER SUCHITRA KAMBLE, JUDICIAL MEMBER :**

This appeal is filed by the Revenue against the order dated 16.01.2017 passed by the CIT(A)-1, Rajkot for the Assessment Year 2007-08.

2. The Revenue has raised the following grounds of appeal:

*“That the Ld. CIT(A) has erred in law and on facts in deleting the addition of Rs.99,67,99,547/- made by the AO on account of unexplained cash credit u/s.68 of the I.T. Act, 1961.*

*That on the facts and circumstances of the case, the Ld. CIT(A) ought to have upheld the order of the Assessing Officer.*

*It is therefore, prayed that the order of the CIT(A) be set aside and that of the Assessing Officer be restored.”*

3. The assessee filed return of income declaring total income of Rs.2,06,450/- on 28.06.2007. The Assessing Officer observed that as per the information the assessee has deposited cash aggregating to Rs.99,65,92,597/- in his Bank account

maintained with ICICI Bank held by Shroff during the Financial Year 2006-07 which is disproportionate to its turnover of Rs.1.46 Crores as reflected in its return of income. The Assessing Officer reopened the assessment proceedings under Section 147 of the Income Tax Act, 1961 and called for the records from the assessee. The assessee has not responded and thereby the Assessing Officer passed the Assessment Order under Section 144 read with Section 147 of the Act making addition of Rs.99,65,92,597/-.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) allowed the appeal of the assessee.

5. At the time of hearing none appeared on behalf of the assessee despite giving notice which has returned with a remark of 'left' from the Postal Authorities. There is no new address given by the assessee or by the Department for fresh service of notice. Hence, we are proceeding on the basis of submissions made by the assessee before the Assessing Officer as well as before the CIT(A) which are reproduced in the order of CIT(A).

6. The Ld. DR submitted that the CIT(A) erred in deleting the addition of Rs.99,67,99,547/- on account of unexplained cash credit under Section 68 of the Act as the assessee could not establish/explain the related source of cash deposits by the assessee in his Bank account and not discharged the primary onus. Therefore, the Ld. DR submitted that the order of the CIT(A) be set aside.

7. We have heard the Ld. DR and perused all the relevant material available on record as well as the submissions reproduced in the order of the CIT(A). Since the assessee has given all the details before the CIT(A) and the remand report was also called for from the Assessing Officer, there was no discrepancy pointed out by the Assessing Officer and accepted the evidences produced by the assessee during the appellate proceedings. Therefore, the CIT(A) was right in deleting the addition. Hence, appeal of the Revenue is dismissed.

8. In the result, appeal filed by the Revenue is dismissed.

Order pronounced in the open Court on this 7<sup>th</sup> day of September, 2022.

*Sd/-*  
**(WASEEM AHMED)**  
Accountant Member

*Sd/-*  
**(SUCHITRA KAMBLE)**  
Judicial Member

**Ahmedabad, the 7<sup>th</sup> day of September, 2022**

***PBN/\****

*Copies to:*

- (1) *The appellant*
- (2) *The respondent*
- (3) *CIT*
- (4) *CIT(A)*
- (5) *Departmental Representative*
- (6) *Guard File*

*By order*

*Assistant Registrar  
Income Tax Appellate Tribunal  
Rajkot Bench, Rajkot*