

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

**BEFORE SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER &  
SHRI SIDDHARTHA NAUTIYAL, JUDICIAL MEMBER**

I.T.A. No.70/Rjt/2023  
(Assessment Year: 2017-18)

Shri Rameshbhai Chhaganbhai Ajmeriya, Nr. Sun Petrol Pump, Opp. Ghanshyamnagar, Vivekanand Nagar, Closter Kothariya Main Road, Rajkot-360001	Vs.	ITO Ward-3(1)(1), Rajkot
[PAN No.APMPA587K]		
(Appellant)	..	(Respondent)

<b>Appellant by :</b>	Shri Mehul Ranpura, A.R.
<b>Respondent by:</b>	Shri B. D. Gupta, Sr. DR

<b>Date of Hearing</b>	01.06.2023
<b>Date of Pronouncement</b>	09.06.2023

ORDER

**PER SIDDHARTHA NAUTIYAL - JUDICIAL MEMBER:**

This appeal has been filed by the assessee against the order passed by the Ld. CIT(Appeals), National Faceless Appeal Centre, (in short “NFAC”), Delhi in Order No. ITBA/NFAC/S/250/2022-23/1048934458(1) vide order dated 19.01.2023 passed for Assessment Year 2017-18.

2. The assessee has taken the following grounds of appeals:-

*“1. The grounds of appeal mentioned hereunder are without prejudice to one another.*

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2. *The ld. Commissioner of Income-tax (Appeals), National Faceless Appeal Centre, Delhi [hereinafter referred as to the “CIT(a)] erred on facts as also in law in confirming addition of Rs.5,50,000/- on the alleged ground of failure to explain source of cash deposit of Rs.5,50,000/- in the bank account no.0003100100005003. The addition made and confirmed is totally unjustified and uncalled for which deserves to be deleted may kindly be deleted.*

3. *Your Honour’s appellant craves leave to add, to amend, alter, or withdraw any or more grounds of appeal on or before the hearing of appeal.”*

3. The brief facts of the case are that the assessee, who is an individual, did not file return of income for the impugned assessment year. The AO received information that the assessee deposited cash of ₹ 550,000/- in the Cooperative Bank of Rajkot during the demonetisation period. The AO issued notice asking the assessee to file return of income and in reply, the assessee filed return of income on 03-06-2019, declaring total income of ₹ 2,36,300/-. During assessment proceedings, the AO issued show cause notice requiring the assessee to explain source of cash deposits in the bank account during demonetisation period. The assessee submitted that the source of cash deposit was out of past savings and withdrawals from bank. In support of his contention, the assessee furnished copy of cash book, bank passbook, balance sheet, profit and loss account and computation of income. However, the AO observed that there were certain debtors appearing in the balance sheet of the assessee and accordingly the AO issued summons under section 133(6) of the Act and recorded the statement of one of such debtors. However, the AO was not convinced with the explanation given by such debtors, whose statement

was recorded and accordingly, the AO held that the assessee has not been able to explain the source of deposit ₹ 5,50,000/- and added same to the income of the assessee under section 69A r.w.s. 115BBE of the Act.

4. In appeal, Ld. CIT(Appeals) dismissed the appeal of the assessee with the following observations:

*“5. The only issue in the appeal is addition of Rs. 5,50,000/- u/s.69 A r.w.s. 115BBE of the Act as unexplained money on the alleged ground that the appellant failed to explain source of cash deposits alongwith necessary evidences.*

*5.1 During the appellate proceedings, the assessee has submit his bank passbook and written submission. In the written submission, the assessee has claimed that he maintained his books of accounts. This is strange to notice that although assessee claims to have no taxable income as a professional but still has books of accounts maintained. The details of total income of the relevant year alongwith sources of income has not been provided. In the bank passbooks there are cash entries of Rs. 5,50,000/- which is the highest maximum balance available in the bank account in that year. This amount could not be treated as job work income. As there are no such other regular entries in the same bank account. The assessee has failed to substantiate its claim before AO as well as before the appellate authority. The action of the assessing officer is confirmed and appeal of the assessee is dismissed.*

*6. As a result, the appeal is dismissed.”*

5. Before us, the counsel for the assessee submitted that the assessee is an electrician doing job work and all income earned by the assessee is in cash. He further submitted that all relevant documents were filed by the assessee before the AO in order to substantiate the source of deposits in the assessee's bank account. The counsel for the assessee drew our attention to page 32 of the paper book, which is the bank passbook of the assessee and submitted that there were both cash deposits as well as cash withdrawals in the assessee's passbook. The counsel for the assessee drew our attention to the fact that even before the demonetisation period, there were substantial cash withdrawals from the assessee's bank account. The counsel for the assessee drew our attention to page 12 of the paper book and submitted that the same was evidence to the fact that the assessee was doing miscellaneous job work as an electrician. Accordingly, the counsel for the assessee submitted that the assessee has been able to substantiate the source of cash deposits in the assessee's bank account in the demonetisation period.

6. In response, the Ld. DR submitted that the details of cash deposits/withdrawals at page 32 of the paper book (assessee's passbook) is not reconciling with the details as mentioned at pages 6-7 of the assessment order. Accordingly, the Ld. DR submitted that looking into the instant facts, in the interest of justice, the matter may be set aside to the file of assessing officer for carrying out a reconciliation between the details of deposits/withdrawals as mentioned at page 32 of the paper book (assessee's passbook) vis-à-vis the details as mentioned in the assessment order.

7. Accordingly, looking into the instant facts, in the interest of justice, the matter is directed to be restored to the file of assessing officer to carry out a reconciliation between the cash deposit/withdrawals as appearing in the

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assessee's passbook for the concerned period as compared to the details which are forming part of the assessment order. The assessee may also be given due opportunity of being heard and present the facts of his case on merits.

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

<b>This Order pronounced in Open Court on</b>	<b>09/06/2023</b>
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**Sd/-**  
**(ANNAPURNA GUPTA)**  
**ACCOUNTANT MEMBER**

Ahmedabad; Dated 09/06/2023

TANMAY, Sr. PS

**TRUE COPY**

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

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

**Sd/-**  
**(SIDDHARTHA NAUTIYAL)**  
**JUDICIAL MEMBER**

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार Dy./Asstt.Registrar)  
आयकर अपीलीय अधिकरण, राजकोट / ITAT, Rajkot