

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH "SMC", PUNE

BEFORE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.350/PUN/2023  
निर्धारण वर्ष / Assessment Year : 2019-20

Shri Shrenik Shashikant Surana, 1, Plot No.17, S.No.752/2, Near Boys Town Road, Anandwan Co-op. Hsg. Society, Nashik- 422005. PAN : ABLPS6829F	Vs.	ACIT, Central Circle-1, Nashik.
Appellant		Respondent

Assessee by : Shri Sanket Joshi  
Revenue by : Shri Rajesh Gawali

Date of hearing : 19.06.2023  
Date of pronouncement : 10.07.2023

**आदेश / ORDER**

**PER INTURI RAMA RAO, AM:**

This is an appeal filed by the assessee directed against the order of Id. Commissioner of Income Tax (Appeals)-12, Pune [‘the CIT(A)’] dated 03.02.2023 for the assessment year 2019-20.

2. The appellant raised the following grounds of appeal :-

*“1. The learned CIT(A) erred in confirming the addition of Rs.20,00,000/- made by the A.O. towards alleged unexplained cash without appreciating that the said addition was not justified on facts of the case and in law.*

*2. The learned CIT(A) failed to appreciate that the cash found in the possession of the assessee was belonging to the firm ‘M/s. Surana Jewellers’ and this claim was supported by various documentary evidences furnished by the appellant and therefore, the addition of Rs.20,00,000/- made by the A.O. was not justified on facts and in law.*

*3. The learned CIT(A) ought to have appreciated that the Dept. had not brought any material on record to prove that the explanation furnished by the appellant was false and hence, there was no reason to sustain the addition of Rs.20,00,000/- merely on the basis of suspicion and surmises.*

*4. The appellant craves, leave to add, alter, amend and delete any of the above grounds of appeal.”*

3. Briefly, the facts of the case are that the appellant is an individual engaged in the business of jewellery. The Return of Income for the assessment year 2019-20 was filed on 16.10.2019 disclosing a total income of Rs.23,42,720/-. Against the said return of income, the assessment was completed by the Assistant Commissioner of Income Tax, Central Circle-1, Nashik (‘the Assessing Officer’) vide order dated 03.09.2021 passed u/s 143(3) of the Income Tax Act, 1961 (‘the Act’) at a total income of Rs.43,42,720/- after making addition of Rs.20,00,000/- as unexplained money u/s 115BBE of the Act. The factual matrix of the case is as under :-

The appellant was found carrying cash of Rs.20,00,000/- in the vehicle bearing no.MH-14 GF09 on 21.03.2019 by State Surveillance Team appointed by the Election Commission of India posted at Bhosari, Pune. The Sub Inspector of Police, Bhosari, MIDC Police Station made a Panchanama on 21.03.2019 and the said case was handed over to the Income Tax Department for further verification etc. In the said Panchanama, it was clearly stated that the amount was not related to any political parties or for the election purpose. The appellant also explained that the cash belong to one partnership firm, namely, M/s. Surana Jewellers of which father of the appellant was a partner. The explanation was substantiated by showing the entries in the books of account of the said partnership firm before the ACIT, Circle-11, Pune on 22.03.2019. It was further stated that this cash was handed over to the appellant by his father with a direction to deposit the same in the bank account with Kotak Bank, Branch Nashik. When the appellant visited the bank branch for deposit of money, he realized that it was a bank holiday on account of Dhuliwandan. Then he had to travel to Pune in the same vehicle to attend the medical emergency of father of his close

friend, Mr. Ratanlal Bhattad at Pune. On the way to Pune, the appellant was stopped by the State Surveillance Team. Even during the course of assessment proceedings, the appellant maintained the same stand. However, the Assessing Officer rejecting the explanation of the appellant brought to tax this cash of Rs.20,00,000/- as unexplained money applying the provisions of section 115BBE of the Act.

4. Being aggrieved, an appeal was filed before the Id. CIT(A), who vide impugned order rejected the explanation offered by the appellant as not acceptable considering the fact that the cash of Rs.5,00,000/- was deposited in the bank account on 20.03.2019 by the partnership firm, M/s. Surana Jewellers and if the deposit of Rs.20,00,000/- was required to be made on 21.03.2019, the partnership firm should have made deposit of Rs.20,00,000/- itself knowing fully that 21.03.2019 is a bank holiday.

5. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

6. The Id. AR submits that the appellant had taken a consistent stand right from the inception that the money belongs to the

partnership firm, M/s. Surana Jewellers and the appellant was carrying this cash only to deposit the money in the bank account belonging to the said firm. He also taken us through the Panchanama dated 21.03.2019 recorded by Police Department submits that it was clearly recorded by the Police Department that the said money was not meant for any political party or for political/election purposes. He also submits that the source of money was clearly explained with reference to the entries made in the books of accounts of M/s. Surana Jewellers. He further submits that M/s. Surana Jewellers regularly deposits cash in the bank account ranging from Rs.5,00,000/- to Rs.25,00,000/- on daily basis. He also filed the balance sheet, entries of books of accounts etc. Finally, he submits that the Income Tax Department had not controverted the explanation filed by the assessee by bringing evidence to the contrary.

7. On the other hand, ld. Sr. DR placed reliance on the orders of the lower authorities.

8. I heard the rival submissions and perused the material on record. The issue in the present appeal relates to the addition u/s

69A of the Act of Rs.20,00,000/- being the amount found and seized from the appellant on 21.03.2019. The provisions of section 69A provides that where an assessee is found to be the owner of any money, bullion, jewellery or other valuable article and such money, bullion, jewellery or valuable article is not recorded in the books of account, if any, maintained by him for any source of income, and the assessee offers no explanation about the nature and source of acquisition of the money, bullion, jewellery or other valuable article, or the explanation offered by him is not, in the opinion of the Assessing Officer, satisfactory, the money and the value of the bullion, jewellery or other valuable article may be deemed to be the income of the assessee for such financial year. In the present case, undisputedly, the appellant was found in possession of money on 21.03.2019 by State Surveillance Team, therefore, undoubtedly, the onus lies upon him to prove that he is not owner of that money. The appellant had filed an explanation before the Police Authority as well as the Income Tax Department stating that the money belongs to M/s. Surana Jewellers, a partnership firm of which his father was a partner, the money was handed over to him by his father with a

direction to deposit the same in the bank account on 21.03.2019. However, on reaching the bank, the appellant realized that it was a bank holiday on account of Dhuliwandan. In the same car, the appellant was travelling to Pune directly from the bank to attend the medical emergency of his close friend of his father. On his way to Pune, he was stopped by Bhosari Police Station by State Surveillance Team. Before the Police Authority as well as the Income Tax Department, the appellant offered the same explanation. Even the Police Department vide Panchanama dated 21.03.2019 had found that the money was not meant for any political party or for election purpose. Even the Income Tax Department had not controverted the explanation of the assessee that this money belongs to M/s. Surana Jewellers. Thus, it cannot be said that the explanation offered by the appellant about the source of money is not a plausible explanation. Once the assessee offers an explanation in support of the source of the money, the onus shifts to the Income Tax Department to prove that explanation offered is not plausible explanation by bringing on record cogent material. We find that the lower authorities had not accepted the

explanation offered by the appellant on mere surmises and conjectures without bringing any material on record controverting the explanation offered by the appellant. Thus, I am of the considered opinion that the lower authorities were not justified in rejecting the explanation offered by the assessee both on facts as well as in law and, therefore, I direct the Assessing Officer to delete the addition of Rs.20,00,000/-.

9. In the result, the appeal filed by the assessee stands allowed.

Order pronounced on this 10<sup>th</sup> day of July, 2023.

**Sd/-**  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

पुणे / Pune; दिनांक / Dated : 10<sup>th</sup> July, 2023.

*Sujeet*

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A)-12, Pune.
4. The Pr. CIT (Central), Nagpur.
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच, पुणे / DR, ITAT, "SMC" Bench, Pune.
6. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary  
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.