

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD “ B ” BENCH**

**Before: Smt. Annapurna Gupta, Accountant Member  
And Shri T.R Senthil Kumar, Judicial Member**

**ITA No.694/Ahd/2024  
Assessment Year: 2017-18**

The I.T.O, Ward3(3)(5), Ahmedabad.  <b>(Appellant)</b>	Vs	Shyam Ranchhodlal Ganatra. B-503, B Wing, Pratyaksh Kar Bhawan, Panjarapole, Ambawadi Ahmedabad-380015.  <b>PAN:AEBPG9812K (Respondent)</b>
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**Revenue Represented: Shri Sudhendu Das, Sr-DR  
Assessee Represented: Shri Biren Shah, AR**

Date of hearing : 15.07.2024  
Date of pronouncement : 24.07.2024

**आदेश/ORDER**

**PER T.R. SENTHIL KUMAR, JUDICIAL MEMBER**

This appeal is filed by the Revenue as against the appellate order dated 12.02.2024 passed by the National Faceless Appeal Centre, Delhi, arising out of the ex-parte assessment order passed under section 144 of the Income-tax Act, 1961 [hereinafter referred to as ‘the Act’] relating to the Asst. Year 2017-18.

2. The brief fact of the case is that the assessee is engaged in the Real Estate Business. During the demonetization period the assessee made cash deposits in Axis Bank and during non demonetization period in all amounting to Rs.23,62,00,066/-. The assessee was asked to explain the above cash deposits. However, the assessee failed to make reply to the show-cause notices which has

resulted in passing ex-parte assessment order, making addition of Rs,12,15,37,169 u/s.69A of the Act and also taxed the same u/s.15BBE of the Act and demanded tax thereon

3. Aggrieved against the ex-parte order the Assessee filed appeal before the Ld.CIT(A), wherein additional evidences were filed. The Ld.NFAC called for Remand Report from the Assessing Officer and thus confirmed the addition of Rs.1,05,000/- and bank interest of Rs.51,433/- and deleted the balance addition of Rs.12,13,80,736/- by observing as follows:

*“...I have carefully considered the facts of the case submission made by the appellant, order passed u/s 144 of the Act remand report submitted by the Assessing Officer and subsequently rejoinder filed by the appellant. All the documentary evidences have been duly verified and placed on record In this case the AO was having information that during the demonetization period the assessee has made cash deposit in various bank account and has not filed his return of income within the time provided as per the provision of sec 139 of the Act. During the assessment proceedings, the assessee did not provided explanation regarding the source of cash deposit made by him. Accordingly the AO has completed the assessment u/s 144 of the Act by making the addition of cash deposit totalling to Rs. 12,15,37,169/- as unexplained investment u/s. 69A of the Act.*

*During the appellate proceedings, before NFAC, the appellant has explained the source of the cash deposited in the bank account by submitting the relevant documentary evidences. The AO has verified all the documentary evidences and accepted in the remand report that all the bank entries are verified and found to be correct with supporting evidence. The AO has stated that, the credit entries are either amount received from the partnership firm of the appellant or the amount received from the family members / relatives of the appellant and are supported by copy of ledge account, PAN/Aadhar card, bank account and confirmations and some of them have been repaid in subsequent years. In the remand report, the AO has reported that out of total credit of Rs 12,15,37,169/-, the appellant failed to produce confirmation of lender, his PAN copy and Aadhar copy in respect of only Rs.1,05,000/- and therefore the said receipts shall be added u/s 68 of the Act and bank interest received amounting to Rs 51,433/- is to be added under the head income from*

*other source' u/s 56 of the Act. Considering the documentary evidences submitted by the appellant, and remand report submitted by the Assessing Officer, the addition of Rs. 1,05,000/- and bank interest of Rs.51.433/- is hereby confirmed and accordingly the appellant gets the relief of Rs. 12,13,80,736/- (12,15,37,169 - 1.56.433)..”*

4. Aggrieved against the same, the Revenue is in appeal before us raising the following grounds of appeals:

*a. The Ld.CIT(A) has erred in law and on facts in deleting the Additions of Rs.9,36,46,736/- made by AO on account of unexplained credit transaction in bank account (including cash deposit) u/s.69A of the IT Act.*

*b. The appellant craves leave to add, alter and/or to amend all or any the ground before the final hearing of the appeal.*

5. The Ld.CIT-DR, appearing for the Revenue Shri Sudhendu Das supported the order passed by the Assessing Officer.

6. Per Contra, Ld.Counsel Shri Biren Shah, appearing for the assesee supported the order passed by the Ld.CIT(A) which was passed after getting Remand Report from the Assessing Officer. Thus, pleaded that the ground raised by the Revenue is liable to be dismissed.

7. We have given our thoughtful consideration and perused the materials available on record. The Revenue could not place on record to sustain the ex-parte addition made by the Assessing Officer. However, during the the appellate proceedings, the assessee filed necessary details with evidences before the Ld.CIT(A) who has called for Remand Report from the Assessing Officer thereby confirmed the part of the additions and directed to delete remaining addition. The

Ld.DR appearing for the Revenue could not place on record anything contrary to delete the relief granted by the Ld.CIT(A), which was based on the Remand Report from the Assessing Officer. Thus, we do not find any merits in the grounds raised by the Revenue which is liable to be dismissed.

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

**Order pronounced in the open court on 24/07/2024**

**Sd/-  
(ANNAPURNA GUPTA)  
ACCOUNTANT MEMBER**

(True Copy)

**Sd/-  
(T.R. SENTHIL KUMAR)  
JUDICIAL MEMBER**

**Ahmedabad : Dated 24/07/2024**  
*Manish*