

**IN THE INCOME-TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT
BEFORE SHRI TR SENTHIL KUMAR, JUDICIAL MEMBER &
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.136/SRT/2025

Assessment Year: (2017-18)

(Hybrid hearing)

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| Navnitbhai Jerambhai Desai 44, Vaikunthdham Society, Iaxmikant Aashram Road, Katargam, Surat-395 004 | Vs. | Income Tax Officer Ward No.3(2)(1), Surat, Aayakar Bhavan, Majura Gate, Surat-395 001 |
| स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AFZPP 3076 P | | |
| (अपीलार्थी/Appellant) | | (प्रत्यर्थी/Respondent) |

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| निर्धारिती की ओर से /Appellant by | Shri Mehul Shah, CA |
| राजस्व की ओर से /Respondent by | Shri Ajay Uke, Sr-DR |
| सुनवाई की तारीख/Date of Hearing | 02/07/2025 |
| उद्घोषणा की तारीख/Date of Pronouncement | 17/07/2025 |

आदेश / ORDER

PER BIJAYANANDA PRUSETH, AM:

This appeal by the assessee emanates from the order passed under section 250 of the Income-tax Act, 1961 (in short, 'the Act') dated 13.12.2024 by the National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income-tax (Appeals) [in short, 'CIT(A)'] for the Assessment Year (AY) 2017-18, which in turn arises out of assessment order passed by Assessing Officer (in short, 'AO') u/s 144 of the Act dated 26.11.2019. Grounds of appeal raised by the assessee are as under:

"1. On the facts and circumstances of the case, the learned CIT(A) has erred in confirming the action of Assessing Officer in making addition of Rs.13,68,000/- on account of unexplained income u/s 69A r.w.s. 115BBE.

2. On the facts and in the circumstances of the case, the learned CIT(A) has erred in completely ignoring the written submission and paper book filed during the course of appellate proceedings.

3. It is therefore prayed that addition made by Assessing Officer and confirmed by learned CIT(A) may please be deleted.

4. Appellant craves to leave to add, alter or delete any ground(s) either before or in the course of hearing of the appeal.”

2. Facts of the case in brief are that assessee filed his return of income for AY 2017-18 on 01.08.2017 declaring total income of Rs.1,42,170/- including income from other sources of Rs.1,28,441/-. The case was selected for scrutiny under CASS for the reason that assessee had deposited substantial cash in his bank accounts. The AO issued statutory notices u/s 143(2), 142(1) and show cause notice to explain the cash deposit of Rs.13,68,000/- in his bank accounts with ICICI Bank. As the assessee failed to explain the source of the above cash deposits, the AO added Rs.13,68,000/- u/s 69A of the Act and levied tax @ 60% u/s 115BBE of the Act. Aggrieved by the addition made by AO, assessee preferred appeal before CIT(A).

3. During the appellate proceedings, the appellant filed written submissions and forwarded/uploaded various explanations and details as had been submitted before the AO. The CIT(A) observed that nothing new was submitted before him. The appellant could not explain beyond doubt the source of cash deposit with proper evidences. Hence, he upheld the addition made by AO and also the applicability of provisions of Section 115BBE of the

Act. The CIT(A) also relied on various decisions and held that the AO has rightly made addition u/s 69A of the Act.

4. Further aggrieved by the order of CIT(A), the assessee has filed present appeal before the Tribunal. The Ld. AR of the assessee filed paper books containing various details submitted to the lower authorities including reply to the AO and CIT(A) as well as bank statements of ICICI Bank, cash flow statement and details of payments received from EPF and his employer. He submitted that the assessee had received Rs.53,74,462/- from EPF on 12.06.2014, which is at page-16 of the paper book. He also submitted that the appellant received Rs.10,00,000/- as gratuity from his employer, M/s Venus Jewel. The cash flow statement from 01.04.2014 to 31.03.2017 is at pages-29 to 31 of the PB as per which the cash-in-hand was Rs.28,18,700/- as on 07.11.2016. The Ld. AR submitted that the appellant had deposited cash of Rs.6,00,000/- and Rs.7,68,000/- in ICICI Bank accounts during demonetization period out of his withdrawals in the earlier period. The appellant was an employee of M/s Venus Jewel for 18 years before taking voluntary retirement. The appellant had received Rs.53,74,462/- as withdrawal from EPF and Rs.10,00,000/- as gratuity from his employer. The above amounts were withdrawn from the ICICI Bank accounts from time to time and the appellant had re-deposited Rs.13,68,000/- during demonetization period. The Ld. AR also submitted that under similar facts and circumstances, the Co-ordinate Bench

of this Tribunal has allowed relief to his brother, Shri Ashokbhai Jerambhai Desai in ITA No.206/SRT/2022 dated 24.03.2023 for AY 2017-18.

5. On the other hand, Ld. SR-DR for the Revenue supported the orders of lower authorities.

6. We have heard both the parties and perused the materials on record. We have also deliberated the decision relied upon by the Ld. AR. The Ld. AR submitted that assessee was employed with M/s Venus Jewel for more than 18 years and he took voluntary retirement from the said firm. He had withdrawn Rs.53,74,462/- from EPF account and Rs.10,00,000/- was credited by his employer into his bank account as gratuity. The appellant had withdrawn money from time to time from the above deposits in his bank account with ICICI Bank and he had sufficient cash balance of Rs.28,18,700/- as on 07.11.2016. The deposit of Rs.13,68,000/- was made out of the cash available with him immediately before the demonetization period. Even after the impugned cash deposits, the appellant still had balance of Rs.14,68,700/- as cash-in-hand. Therefore, the addition made by AO and confirmed by the CIT(A) is not proper. The Ld. AR also relied on the decision in case of Ashokbhai J Desai (supra), brother of the appellant, where the co-ordinate Bench has deleted similar addition. In the said case there was cash deposit of Rs.15,90,000/- during demonetization period. His brother was also an employee of M/s Venus Jewel. He has received Rs.22,17,402/- from EPF and Rs.10,00,000/- as gratuity from employer. The grounds of appeal in the said

appeal were also similar to the grounds raised in the present appeal. After considering the facts, the Co-ordinate Bench had deleted the addition and allowed the appeal of the brother of the appellant (supra). Since the facts are similar, following the decision in case of Ashokbhai J Desai (supra), the order of CIT(A) is set aside and the AO is directed to delete the addition. Accordingly, the ground raised by assessee is allowed.

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

Order pronounced under proviso to Rule 34 of the ITAT Rules, 1963 on 17/07/2025 in the open court.

Sd/-
(TR SENTHIL KUMAR)
न्यायिक सदस्य/JUDICIAL MEMBER
सूरत /Surat
दिनांक/ Date: 17/07/2025
Dkp Outsourcing Sr.P.S*

Sd/-
(BIJAYANANDA PRUSETH)
लेखा सदस्य/ ACCOUNTANT MEMBER

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

- **अपीलार्थी/ The Appellant**
- **प्रत्यर्थी/ The Respondent**
- **आयकर आयुक्त/ CIT**
- **आयकर आयुक्त (अपील)/ The CIT(A)**
- **विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, सूरत/ DR, ITAT, SURAT**
- **गार्ड फाईल/ Guard File**

By order/आदेश से,

// True Copy //

सहायक पंजीकार
आयकर अपीलीय अधिकरण, सूरत