



**IN THE INCOME TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT  
BEFORE SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER  
&  
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

**आयकरअपीलसं./ITA No. 867/SRT/2024  
(निर्धारणवर्ष / Assessment Year: (2017-18))**

Kamleshbhai Ramjibhai Dhaduk A-11, Divya Vasundhra Flats, Lambe Hanuman Road, Near Trikamnagar-1, Surat	Vs.	The Income Tax Office, Ward 3(2)(6), Surat
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AEBPD8167N		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by : Shri Mayank A. Ogrivala, CA  
Respondent by : Shri Ajay Uke, Ld. Sr. DR  
**Date of Hearing** : 23/07/2025  
**Date of Pronouncement** : 15/10/2025

**आदेश / ORDER**

**PER, DINESH MOHAN SINHA, JM:**

Captioned appeal filed by the assessee, pertaining to Assessment Year 2017-18, is directed against the order dated 20.06.2024 passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as “the Act”), Commissioner of Income-tax (Appeal), which in turn arises out of an assessment order dated 09.12.2019 passed by the Assessing Officer, u/s. 144 of the Act.

2. Grounds of appeal raised by the assessee are as follows:

*1) On the facts and circumstances of the case, as well as law on the subject, order passed by the learned commissioner of the Income Tax (Appeals). NFAC u/s 250 of Income Tax Act is not a reasoned order and hence required to be treated as bad in law as the said order has been passed without discussing the merits of the case and without considering and discussing cash flow statement and other documentary evidences submitted by the assessee.*



*2) On the facts and circumstances of the case, as well as law on the subject, order passed by the learned commissioner of the Income Tax (Appeals). NFAC u/s 250 of Income Tax Act is bad in law and liable to be quashed as the said order has been passed without conducting adequate inquiry. verification and without conducting any remand proceedings.*

*3) On the facts and circumstances of the case, as well as law on the subject, the learned commissioner of the Income Tax (Appeals), NFAC has erred in confirming total addition of Rs. 11,85,500/- which is the amount of cash deposit during demonetization as alleged unexplained money u/s. 69A of the Act*

*Your appellant further reserves his right to add, alter or to amend any of the aforesaid grounds at the time of hearing of an appeal and all the above grounds are without prejudice to each other*

### 3. Facts of the Case:

The assessee is a Salaried Employee working in the company named Facets Gems Polishing Works Private Limited since last more than 10 years. Assessee has filed its Return of Income for relevant Assessment Year within due date on 19-08-2017 vide Ack. No. 179609470190817. The case of the assessee was selected for Limited Scrutiny and accordingly issued Notice U/s. 143(2) of the Income Tax Act, 1961 dated 17-08-2018 received on 01-09-2018. On the receipt of this notice, accountant have visited Income Tax Department, but officer was busy and advised to come after receipt of next notice.

During the Demonetization, assessee have cash deposit with bank of Rs. 11,85,500/-. The A.O. have made addition of Rs. 11,85,500/- u/s. 69A of the income Tax Act without going into the merits of the case and without proper service of notice. An assessment was framed by Ld AO by order dated 9.12.2019 under section 144 of the Act.



4. That the assessee filed An appeal before the Ld CIT (Appeal) and the same was dismissed by the CIT (Appeal) on 20.06.2024.

5. The Assesse challenged the legality and validity of order dated 20.06.2024 by moving an Appeal before this tribunal. During the course of hearing the Ld. AR of the assessee has requested for an opportunity to explain the case before the lower authority The Ld. DR had not objected the request of the assessee.

We have heard both the party and perused the material available on record, We note that the Assessment order passed under section 144 of the Act on the basis of best judgement. Assessment whereby show the cash deposit of Rs11,85,500 was added in the total income of Assessee bank account in Allahabad Bank during demonetization period. We further note that during appellate proceeding the assessee submitted reply by giving detail of cash deposit. Cash withdrawn from bank was deposited. Closing balance of cash in hand was deposited, but the same was not accepted, however the CIT has observed that the assessee failed to discharge the proof in establishing the genuine source of cash deposit.

The AR of the assessee has relied on several judgement and the same are placed on record. The assessee has also submitted the cash flow statement for last 5 years, saving bank account statement, net income statement , copy of IT return and bank statement. Considering the above facts and circumstances of the case we are of the view that the case is not properly adjudicated before the lower authority, In a interest of fair justice the assessee deserve an opportunity to file all relevant document before the lower authority in support of cash deposit with Allahabad Bank.

We therefore set aside the order dated 20.06.2024 and remand the case back to the file before the CIT Appeal.

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



**Order pronounced in the open court on 15 -10-2025.**

**Sd/-  
(BIJAYANANDA PRUETH)  
ACCOUNTANT MEMBER**

**Sd/-  
(DINESH MOHAN SINHA)  
JUDICIAL MEMBER**

Surat

//True Copy//

दिनांक/ Date: 15/10/2025

**Copy of the Order forwarded to**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Surat
6. Guard File

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Surat