



IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, AM.

&

DINESH MOHAN SINHA, JM

आयकरअपीलसं./ITA No.219/RJT/2025

निर्धारणवर्ष / Assessment Year: (2014-15)

(Hybrid Hearing)

Rameshbhai Ratnabhai Parsana Prop. of Aman Ornament, 11, Ornament Arcade, Soni Bazar Main Road, Near Darbar Gadh, Rajkot Gujarat 360001	Vs.	The Assistant Commissioner of Income-tax, Circle-2(1), Aayakar Bhavan, Race Course Road, Rajkot Gujarat 360001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: ACYPP1885C		
(Appellant)		(Respondent)

Appellant by : Shri Chetan Agarwal, Ld. AR
Respondent by : Shri Abhimanyu Singh Yadav Ld. SR. DR
Date of Hearing : 07 / 10 /2025
Date of Pronouncement : 08 / 12 /2025

आदेश / ORDER

PER DINESH MOHAN SINHA JM;

Captioned appeal filed by assessee pertaining to Assessment Year 2014-15, is directed against order passed under section 250 of the Income Tax Act, 1961 by National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income Tax (Appeals), dated 11/02/2025, which in turn arises out of an order passed by the Assessing Officer u/s 147 read with section 144B of the Act, on dated 25/05/2023.



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

1.0 the Ld. Commissioner of Income-tax (Appeals), National Faceless Appeal Centre erred in law and on fact is adjudicating the grounds of appeal in violation of principle of natural justice;

1.1 the Ld. Commissioner of Income-tax (Appeals), National Faceless Appeal Centre erred in law and on fact in not appreciating the fact that the proceedings under amended provisions of section 147 of the Act were barred by limitation;

1.2 the Ld. Commissioner of Income-tax (Appeal), National Faceless Appeal Centre erred in law on facts in not appreciating the fact that the assessment order is founded defeating provisions of section 148 of the Act;

1.3 the Ld. Commissioner of Income-tax (Appeals), National Faceless Appeal Centre erred in law and on facts in confirming addition u/s 69A of the Act of Rs. 88,39,350/-, which may kindly be deleted and justice be done;

Your appellant craves leave to add, alter, withdraw any one or more grounds of appeal.

3. Facts of the Case

The appellant is an individual and during the year under consideration had received cash of Rs.88,39,350/- from concerns related to Shri Saurabh Kathwadia (Angadiya) who was involved in various activity which included issuance of cheque in lieu of cash, accommodating cash related to unaccounted transactions of other persons into their bank accounts and transferring it to the beneficiaries. It was seen that most of the transactions were related to accommodating proceed of under invoiced sales or unaccounted sales in their bank accounts. Further, the assessee had filed the return of income declaring total income at Rs.7,38,780/- for the year under



consideration. The assessee was issued notice u/s.148 of the Act on 23.07.2022 and further notices u/s.142(1) of the Act along with show-cause notice dated 12.05.2023 for submitting the requisite documentary evidences in support of his claim of receiving cash amounting to Rs.88,39,350/-.

In view of the facts stated above, it is evident that the assessee failed to explain the genuineness of deposited cash Rs. 88,39,350/- from concerns related to Shri Saurabh Kathwadia. Therefore, I hold that the amount of Rs. 88,39,350/- is added back to the income of the assessee u/s 69A of the I.T. Act, 1961 as unexplained money. Accordingly, the amount of Rs. 88,39,350/- is added back to the income of the assessee and tax calculated u/s 115BBE of the IT Act, 1961

4. That the assessee filed an appeal against the order of assessment before Ld. CIT(A), order dated:11/02/2025, which was dismissed by the Ld. CIT(A). with following observation:

As the assessee had filed the return of income declaring total income of Rs.7,38,780/- which does not commensurate with the cash received amounting to Rs.88,39,350/- and also the nature & source of such cash received remained unexplained and hence the AO had reason to believe that there was escapement of income. After recording reasons in writing & obtaining prior approval of the competent authority, the AO initiated action u/s 148 of the Act and subsequently passed the assessment order after providing sufficient opportunities to the assessee. Therefore, I do not find any illegality of invalidity in the action of the initiation of notice u/s 148 of the



Act and consequent assessment order passed by the AO. Accordingly, Ground No. 1 and 2 are dismissed.

In the result, the appellant's appeal is DISMISSED.

5. That the assessee filed an appeal against the impugned order dated 25/05/2023 before this Tribunal.

i). The Ld. AR requested before the AO, Assessee could not submitted the documents. The order AO is ex-prate and before the CIT written submission was filed. The Ld. AR prayed for an opportunity may kindly be granted to present the case before the lower authority.

ii). On the contrary the Ld. DR. has relied on the order of CIT. However, not objected the prayer of lower authority.

6. We have heard both the parties and perused the material available on record. We note that CIT(A) has observed, On going through the submission of the assessee it was seen that the assessee was required to furnish the source from where the cash was received which the assessee failed to furnish during the assessment as well as appellate proceedings. However, after several notices during the assessment proceedings no reply was received but during the appellate proceedings also the assessee merely submitted the submission stating that it denies having any financial transactions through Angadia. However, it can be seen from the assessment records that the assessee denied of having the transactions of receiving cash of Rs.88,39,350/- from concerns related to Shri. Saurabh Kathwadi and failed to furnish any explanation.



However the assessee has denied The assessee only denied for the transaction of receiving cash of Rs. 88,39,350/-from concerns related to Shri Saurabh Kathwadia and not given any proper/valid explanation. In the course of survey proceedings in the case of Shri saurabh Kathwadiya Group, material relating to receiving cash of Rs. 88,39,350/- from concerns related to Shri Saurabh Kathwadia by the assessee i.e. Rameshbhai Ratnabhai Parsana, Prop. of Aman Ornaments was found and subsequently during assessment proceeding, it was again found that the assessee i.e. Rameshbhai Ratnabhai Parsana, Prop. of Aman Ornaments, has received cash during the A.Y. 2014-15. from the assessee. The assessee never demanded for cross examination to Shri Saurabh Kathwadia. Therefore, explanation of the assessee in not acceptable.

We note that before the AO assessee has made submission but could not establish the genuines of deposit of cash Rs. 88,39,350/-. We further note that the saurabh Kathwadiya is involved in angadia business. Considering the above facts and circumstances case. We consider that the case was not properly adjudicated by the lower authority. The order of Ld. CIT(A) is set aside and matter may refer back to the file of the Ld. AO and we further direct the assessee to participate in the proceedings and submit the required documents as asked by the AO to adjudicate the matter in accordance with law.

7. In the result, the assessee's appeal is partly allowed, in above terms.

Order pronounced in the open court on 08 / 12 /2025.

Sd/-

(Dr. A.L. SAINI)
ACCOUNT MEMBER

Sd/-

(DINESH MOHAN SINHA)
JUDICAL MEMBER



Rajkot

दिनांक/ Date: 08 / 12 /2025

Copy of the Order forwarded to

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

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot