

**IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCH "F" MUMBAI**

**BEFORE SHRI SANDEEP GOSAIN (JUDICIAL MEMBER)  
AND  
SHRI OM PRAKASH KANT (ACCOUNTANT MEMBER)**

**ITA No. 5428/MUM/2024  
Assessment Year: 2017-18**

Javed Munir Khan,  
7 B 7 Gurudatt Nagar, Behind  
Patel Wadi, Pipe Road, Kurla West,  
Mumbai-400070.

**PAN NO. BGGPK 6204 B**  
**Appellant**

ITO 26(1)(4),  
Kautilya Bhavan, Bandra  
Kurla Complex, G Block,  
Bandra East,  
Mumbai-400051.

**Vs.**

**Respondent**

Assessee by : None  
Revenue by : Mr. Vivek Perampurna, CIT-DR

Date of Hearing : 19/11/2025  
Date of pronouncement : 13/01/2026

**ORDER**

**PER OM PRAKASH KANT, AM**

This appeal by the assessee is directed against order dated 21.08.2024 passed by the Ld. Commissioner of Income-tax (Appeals) – National Faceless Appeal Centre, Delhi [in short ‘the Ld. CIT(A)’] for assessment year 2017-18, raising following grounds:

- 1. On the facts and in the circumstances of the case the Learned CIT (A) has erred in granting relief of Rs.60,75,800/- of cash deposits against total cash deposits of Rs.1,13,28,200/- during the period of demonetisation on*



*account of cash deposit in regular notes without appreciating the facts that all the cash deposits were made of regular notes except for the first cash deposit which was made subsequent to the announcement of demonetisation, eventually the addition restricted to the amount of Rs.52,52,400/- u/s. 68 of the Income Tax Act, 1961 be deleted*

2. *The Learned CIT(A) has erred in making addition of Rs. 12,27,195/-, being 8 percent of the cash deposited in to Bank Account of Rs.92,64,140/-during the period other than demonetisation and Rs.60,75,800/- during the period of demonetisation of regular notes u/s. 69A of the Income Tax Act, The Learned CIT (A) erred in treating the total cash deposits aforesaid as the turnover of the Appellant, whereas the profit element embedded in the total deposits which could be verified as per Form26AS should have been treated as the turnover of the appellant for working out presumptive profits u/s. 44AD, hence The bench may be please to delete the total additions made u/s. 69A.*
3. *The Learned CIT(A) has erred in levying tax on above referred addition u/s. 115BBE of the I. T. Act, 1961.*

2. At the outset, we note that despite due service of notice of hearing through registered post, none appeared on behalf of the assessee, nor was any request for adjournment made except filing of a written submission on behalf of the assessee. On perusal of the record, we further find that on earlier occasions also no one had appeared for the assessee. In these circumstances, we are satisfied that the assessee was not interested in prosecuting the appeal. Accordingly, the appeal was heard **ex parte qua the assessee**, after hearing the submissions of the Ld. Departmental Representative.

3. Having perused the records and after considering the arguments of the Ld. DR, we find that in this case issue in dispute is regarding addition of cash deposits during and post



demonetization period. The Assessing Officer observed that during the demonetization period, the assessee had deposited aggregate cash amounting to **₹1,13,28,200/-**. In the absence of any response to the show cause notice, the said amount was treated as unexplained money under section 69A of the Income-tax Act, 1961. The Assessing Officer further noticed that aggregate cash deposits of **₹92,64,140/-** were made during the post-demonetization period. As the assessee, despite being engaged in business, failed to furnish any details despite several opportunities, the Assessing Officer estimated **10%** of such deposits as income and made an addition of **₹9,26,414**.

3.1 On appeal, the Ld. CIT(A), after calling for and considering a remand report from the Assessing Officer, granted partial relief. The Ld. CIT(A) noted that out of the total cash deposits of ₹1,13,28,200/- during the demonetization period, a sum of **₹60,75,800/-** was deposited in the form of regular bank notes. Accordingly, relief was granted to that extent and the addition under section 69A was restricted to **₹52,52,400/-**. However, the amount of ₹60,75,800/- was considered for the purpose of computing business income.

3.2 The Ld. CIT(A) recorded a finding that the assessee was acting as a **commission agent for Airtel Payment Bank Ltd.**, collecting cash from persons desirous of remitting money to their relatives at



distant places, depositing the same in his bank account, and thereafter transferring it to the said bank. Taking note of the fact that the assessee had offered income in earlier years under section 44AD of the Act, the Ld. CIT(A) applied the presumptive provisions of section 44AD and computed business income at **8%** on the aggregate cash deposits of **₹1,53,39,940/-** (₹92,64,140/- + ₹60,75,800/-), thereby determining the taxable business income at **₹12,27,195/-**. The addition was thus sustained to the said extent. The relevant finding of the Ld. CIT(A) is reproduced as under:

*“7.2 Perusal of the above table reveals that the appellant has not disclosed entire receipts. From the facts brought out in the assessment order it is clear that the appellant had deposited cash during the demonetization period to the tune of Rs. 1,13,28,200/- and Cash to the tune of Rs. 92,64,140/- during the period other than the demonetization period. The AO had made addition of Rs. 9,26,414/- being 10% of Rs. 92,64,140/-. In Para 6.7.1 of this order the addition of Rs. 60,75,800/- has been deleted u/s 68 of the Act and it has been held that this amount of Rs. 60,75,800/- will be considered for working out the business profits. Therefore, the turnover of the appellant is reworked at Rs. 1,53,39,940/- [Rs. 92,64,140/- + Rs. 60,75,800/-]. The AO worked out the business profits at 10% of receipts. However, he has not brought out the reasons for adopting such rate. The appellant has stated that it has offered its business income u/s 44AD of the Act. Therefore, the business income of the appellant is worked out @ 8% of Rs. 1,53,39,940/- i.e. Rs. 12,27,195/-. The addition of business profits is reworked and upheld at Rs. 12,27,195/-. The business profits are reduced from 10% to 8%. Ground no.2 of appeal is partly allowed.”*

4. In our considered opinion, the Ld. CIT(A) has examined the issue in detail, duly considered the material on record, and passed a well-reasoned order after obtaining a remand report from the Assessing Officer. Before us, the assessee has merely reiterated the



submissions made before the Ld. CIT(A) and has not placed any new material or evidence on record to controvert the findings of the first appellate authority.

We find no infirmity, either factual or legal, in the conclusions arrived at by the Ld. CIT(A). The approach adopted by the Ld. CIT(A) is reasonable and in accordance with law. Accordingly, the grounds of appeal raised by the assessee are dismissed.

5. In the result, the appeal of the assessee is dismissed.

**Order pronounced in the open Court on 13/01/2026.**

**Sd/-  
(SANDEEP GOSAIN)  
JUDICIAL MEMBER**

**Sd/-  
(OM PRAKASH KANT)  
ACCOUNTANT MEMBER**

Mumbai;  
Dated: 13/01/2026  
Rahul Sharma, Sr. P.S.

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,  
(Assistant Registrar)  
**ITAT, Mumbai**