

**IN THE INCOME TAX APPELLATE TRIBUNAL
“DB” BENCH SURAT**

**BEFORE HON’BLE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER &
SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER**

**ITA No. 623/SRT/2025
(Assessment Year: 2017-2018)**

Sukanyaben Hirenbhai Gadhiya 10, Sunkan Banglow, Opp. Sujav Farm, Nr. Sarthana Jakat Naka, Varachha, Surat - 395006 Gujarat.	Vs.	Income Tax Officer Ward 3(3)(4) 419, 4 th Floor, Aayakar Bhavan, Near Majura Gate, Opp. New Civil Hospital, Surat - 395001, Gujarat
PAN/GIR No. AQYPG5526B		
(Applicant)		(Respondent)

Assessee by	Shri Sapnesh Sheth, Advocate
Revenue by	Shri J. K. Chandnani (Sr.-DR)

Date of Hearing	09.10.2025
Date of Pronouncement	07.01.2026

आदेश / ORDER

PER SANDEEP GOSAIN, JM:

The present appeal has been filed by the assessee challenging the impugned order dt. 26.03.2025 passed under section 250 of the Income Tax Act, 1961 (‘the Act’), by the National Faceless Appeal Centre (NFAC) / CIT(A) for the assessment year 2017-2018.

2. The only effective ground raised by the assessee relates to challenging the order of Ld. CIT(A) in sustaining

the addition of Rs. 12,74,000/- made by the AO u/s 68 of the Act.

3. We have heard the counsels for both the parties, perused the material placed on record, judgments cited before us and also the orders passed by the revenue authorities. From the records, we noticed that the case of the assessee was selected for limited scrutiny through CASS in order to verify "*cash deposit during the year*". In this regard assessee had submitted documentary evidences before the AO in order to demonstrate the source of cash deposit by him in his bank account but the AO made additions thereby rejecting the documents filed by the assessee by holding that the return of income has ben filed on 24.03.2017 (after demonetisation) by the assessee and assessee had disclosed cash in hand as on 31.03.2016 as Rs. 1,70,358/-, whereas the cash summary statement, cash & petty cash book, opening cash balance as on 01.04.2017 shown by the assessee is Rs. 7,70,358/-.

4. In this regard Ld. AR took our attention to paper book page No 10 to 20 which contains entry of cash & petty cash book and it was submitted that revenue authorities have not considered the documents and the replies filed by the assessee in right perspective as the cash was deposited out of opening balance, earlier cash withdrawals made from the banks or income earned from the business during the

year. It was further submitted that cash deposit in the impugned bank account was made out of cash in hand, earlier cash withdrawals from the bank and the cash sales made during the year. In order to support his arguments assessee has submitted that cash deposits in the bank account represents cash in hand on t hat day and the cash sales made during the year under consideration along with documentary evidences i.e cash and petty cash book, bank statement etc, therefore the cash deposited by the assessee do not represents unaccounted income of the assessee.

5. After having gone through the arguments of the parties at length, we found that the majority of the cash deposits i.e 12,74,000/- was made before demonetization period which goes to show the genuineness of the assessee's explanation that the same was deposited from accounted source only.

6. After having gone through the documents filed by the assessee more particularly cash and petty cash book and bank entries contained at paper book page 10 to 20 in our view it needs reconciliation.

7. Be that as it may, after considering the fact that issue restore back to the file of AO to decide the matter in denovo assessment after carryout reconciliation of the documents relied upon by the assessee. Therefore considering the overall circumstances of the present case,

we deem it proper to restore the matter back to the file of AO for decided in the same afresh in denova assessment.

8. Before parting, we make it clear that our decision to restore the matter back to the file of the AO shall in no way be construed as having any reflection or expression on the merits of the dispute which shall be adjudicated by the Ld. AO independently in accordance with law.

9. In the result the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open court on 07.01.2026

Sd/-
(OM PRAKASH KANT)
ACCOUNTANT MEMBER

Sd/-
(SANDEEP GOSAIN)
JUDICIAL MEMBER

Mumbai, Dated 7/01/2026

KRK, Sr. PS

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई/ DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई/ ITAT, Mumbai