

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT BENCH, SURAT**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

I.T.A. No. 927/SRT/2025
(Assessment Year: 2012-13)

Bhanushankar Kasalshibhai Dave, A-8, Lalbag Society, Near Abhay Nagar, Chhaparabhatha, Surat-394107 [PAN : AADCE 0172 B]	Vs.	Income Tax Officer, Ward-3(2)(6), Surat
(Appellant)	..	(Respondent)
Appellant represented by :	Shri Mehul Shah, CA	
Respondent represented by:	Shri Ashish Kumar, Sr DR	
Date of Hearing	21.01.2026	
Date of Pronouncement	23.01.2026	

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

This appeal has been filed by the assessee against the order dated 19.08.2025 passed by the Ld. Addl/JCIT(A), Panaji (hereinafter referred to as the "Ld. CIT(A)"), under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as the "Act") for Assessment Year 2012-13.

2. The assessee has raised following grounds of appeal:-

"1. On the facts and circumstances of the case as well as law on the subject the learned CIT(A) has erred in confirming the action of the Ld. Assessing Officer in reopening assessment u/s. 147 by issuing notice u/s 148 of the I.T. Act, 1961.

2. On the facts and circumstances of the case as well as law on the subject, the learned CIT(A) has erred in confirming the action of the Ld. Assessing Officer in making addition of Rs.29,31,364/- on account of estimation of profit in the business of money transfer.

3. It is therefore prayed that assessment framed u/s 143(3) r.ws. 147 of the Act may kindly be quashed and/or addition made by Ld Assessing Officer and confirmed by the Learned CIT(A) may please be deleted."

3. The assessee filed his return of income on 15.05.2012 declaring a total income of Rs. 3,03,350/- for the year under consideration. Based on information received that cash deposits amounting to Rs. 29,31,364/- were made in an account maintained with Union Bank of India, the Assessing Officer issued a notice u/s 133(6) of the Act, which remained uncomplied with. Thereafter, pursuant to the notice issued u/s 148 dated 30.03.2019, the assessee filed a return of income declaring total income of Rs. 3,16,440/-. The Assessing Officer, noting non-compliance with statutory notices and being unsatisfied with the explanation on record, treated the cash deposits of Rs. 29,31,364/- as unexplained income and added the same to the total income of the assessee.

4. During the course of assessment proceedings before the Assessing Officer, the assessee explained that he is a salaried teacher and that the said bank account was used by his son, Shri Priteshkumar Bhanushankar Dave, for money transfer business. Cash was collected from labourers and deposited in the account and thereafter transferred through account payee instruments to beneficiaries. Only commission of Rs. 40/- per instrument / transaction was earned and the same was already offered to tax. The modus operandi was stated to have been accepted in scrutiny assessments of the assessee's son for earlier years. The Ld. CIT(A) confirmed the addition.

5. Aggrieved by the order of the Ld. CIT(A), the assessee is now in appeal before the Tribunal.

6. Before us, the Ld. AR reiterated the submissions made before the lower authorities and submitted that the assessee is a salaried teacher and had no independent business activity. The cash deposits were not the income of the assessee but represented business receipts of his son from money transfer activity, wherein only commission income was earned. It was submitted that the

total deposits of Rs. 29,31,964/- consisted of 523 transactions and the assessee had offered commission income of Rs. 10,460/- (523 × Rs. 20/-) in the return filed u/s 148. The same business model had been accepted by the Department in the past assessments in the case of assessee's son. Therefore, the addition of the entire cash deposits was unjustified and liable to be deleted.

7. The Ld. DR, on the other hand, supported the orders of the revenue authorities.

8. We have heard the rival contentions and perused the material available on record. In the present case, it is noticed that the account of the assessee has been used by his son for transfer of amounts collected from labourers to various places. In the case of the son, the amount of commission has been determined @ Rs. 40 per instrument/transaction. The assessee has also shown similar income @ Rs. 40 per instrument/transaction. The modus operandi is clearly discernible from the bank statements, which reflect cash deposits followed by immediate transfers through banking channels. We are satisfied that the commission charged at Rs. 40/- per instrument/transaction is reasonable and correct. Since such commission income has already been offered to tax, we hold that no addition is called for in this case.

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

This order is pronounced in the open Court on 23.01.2026

Sd/-

(SUCHITRA KAMBLE)
JUDICIAL MEMBER

Surat; Dated 23/01/2026

btk

Sd/-

(DR. B.R.R. KUMAR)
VICE-PRESIDENT

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

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

आदेशानुसार/ BY ORDER,

TRUE COPY

**सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण**