

आयकर अपीलीय अधिकरण, सूरत न्यायपीठ, सूरत
IN THE INCOME TAX APPELLATE TRIBUNAL, SURAT BENCH, SURAT
BEFORE SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER AND
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER
आयकर अपील सं./**ITA No. 1073/SRT/2024** (AY 2017-18)

(Physical hearing)

Assistant Commissioner of Income-tax, Circle-1(3), Surat Room No. 301, Income Tax Office, Anavil Business Centre, Adajan, Surat-395 009	बनाम Vs	Ashwinbhai Parsottambhai Patel B/5, Jalaram Krupam AT Nana Varachha, Near Trishul Dairy, Surat- 395 006 [PAN : AHEPP 7641 K]
अपीलार्थी/Appellant		प्रत्यर्थी /Respondent

निर्धारिती की ओर से /Assessee by	Shri P.M. Jagasheth, CA
राजस्व की ओर से /Revenue by	Shri Ajay Uke– Sr-DR
सुनवाई की तारीख/Date of hearing	10.09.2025
उद्घोषणा की तारीख/Date of pronouncement	28.11.2025

Order under section 254(1) of Income Tax Act

PER DINESH MOHAN SINHA, JUDICIAL MEMBER:

This appeal by Revenue is directed against the order of National Faceless Appeal Centre (NFAC), Delhi/Ld. Commissioner of Income-tax, Appeal [for short, "Ld. CIT(A)"] dated 06.09.2024 for the assessment year 2017-18, which in turn arises out of an assessment order passed by the Assessing Officer (in short, "AO") under section 143(3) of Income-tax Act, 1961 ('the Act') on 30.12.2019. The Revenue has raised the following grounds of appeal:-

"i. On the facts and the circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the additions of Rs.1,69,10,000/- made on account of unexplained cash credits within the meaning of section 69A of the Act as the assessee not produced any cogent evidences to prove that the sources cash deposits made in the bank account is explained.

ii. On the facts and the circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition of the unexplained cash deposit made by the Assessing Officer u/s 69A of the Act even though as per the provisions of the said section onus to explain the sources of the such cash deposited in the bank accounts are on the assessee.

iii. On the basis of the facts and circumstances of the case and in law, the Ld. CIT(A) ought to have upheld the order of the Assessing Officer.

iv. It is therefore prayed that the order of Ld. CIT(A) may kindly be set aside that of the Assessing Officer be restored.

v. The appellant craves leave to add alter, amend and/or withdraw any ground of appeal either before or during the course of hearing of the appeal."

2. Brief facts of the case that assessee filed his return of income on 16.01.20218 declaring total income of Rs.1,25,57,600/-. Subsequently return was revised and income declared at Rs.1,44,31,900/-. The case was selected for scrutiny because of there was a cash deposit of Rs.2,48,00,300/-. Notice was issued by the AO which was duly replied by the assessee stating that assessee earned rental income and other sources of income and business income. However, the assessment completed on 30.12.2019 with the addition of Rs.1,65,00,100/-. Against this order the assessee filed an appeal before the Ld.CIT(A). The Ld. CIT(A) on 06.09.2024 deleted the addition made by AO observing as under:

"6. I have perused the order passed by the AO and the written submissions filed by the appellant along with the cash book. The appellant in the written submission has furnished the assessment year wise total income declared by him in the ITR. It is submitted by the appellant that for the AY 2016-17, the total income declared by him was Rs.1,78,37,410/- and also paid the tax liability of Rs.64,70,850/-. Although the return was treated as invalid by CPC, he had reported all the income earned during the relevant assessment year and paid corresponding taxes. The appellant has placed his reliance on the cash book submitted before the AO and contended that, the source of cash deposit was duly recorded in his cash book. He has also submitted that, the reasons given by the AO in the assessment order is not acceptable as the AO rejected the ash book without examining the income of the appellant, credits into the bank account, earlier withdrawal of cash from the bank account, cash balance available in cashbook etc. in this connection, he has also placed his reliance on the jurisdictional ITAT i.e. Hon'ble ITAT Surat, as well as decision of the Hon'ble ITAT Mumbai.

7. Upon perusal of the return of income bank account copy and the cash book, it is evident that the appellant is having sufficient source for the cash deposited into the bank account when the appellant has submitted cash book, the AO cannot reject the cash book without assigning any proper reasons. The appellant has withdrawn money from the bank and the same was shown as cash in hand in the cashbook. The AO could not disprove the cash balance available in the cashbook. In view of the above, the cash deposited into the bank account cannot be treated as unexplained money

*u/s 69A of the IT Act. By respectfully following the decision of jurisdictional ITAT, the grounds of appeal raised by the appellant is **allowed.**"*

That the Revenue filed an appeal against the impugned order of the Ld. CIT(A) dated 06.09.2024 before us.

3. During the course of argument, the Ld. Sr-DR of the Revenue argued that there was huge cash deposited in the bank account of appellant and Ld. CIT(A) wrongly deleted the addition made by AO and matter needs to be set aside and uphold the order of AO.

4. On the other hand, Ld. AR for the appellant, relied upon the order of the Ld. CIT(A).

5. We have heard the rival submissions of both the parties and perused the material available on record and also perused the order of Ld. CIT(A). We find that Ld.CIT(A) has relied on the decisions of ITAT Surat Bench (i) in the case Ravi Mahexa vs. ITO in ITA No.193-196/SRT/2022; (ii) Hasmukh Kanjiobhai Tadhani vs. ITO in ITA No.19/SRT/2023 (ii) ITAT Mumbai Benches in the case of Ajit Bapu Satam vs. ITO (2023) 147 taxmann.com 222 (Mumbai-Trib.) and (iv) ITAT Delhi Benches in case of Om Prakash Nahar vs. ITO (2022) 135 taxmann.com 377 (Delhi-Trib.). We further note that during the demonetization the appellant has deposited cash of Rs.1,65,00,100/- in bank account. The appellant has submitted the cash has been deposited from cash withdrawal from bank and submitted cash book for AY 2015-16 to AY 2017-18 but the AO is not satisfied with the explanation given by the appellant and made addition of Rs.1,65,00,100/- to the total income of the assessee on account of unexplained cash deposit during the year. We find that there is regular cash deposit and withdrawal in bank account of the assessee as per availability and requirement

of funds which can be verified from bank statement of the assessee. Income shown by the assessee in past three years is as under:

Year	Total income as per ITR
AY 2015-16	Rs. 97,06,180
AY 2016-17	Rs.1,78,37,410
AY 2017-18	Rs.1,44,31,900

The appellant has submitted cash book for AYs 2015-16 2016-17 and 2017-18 and bank statement to show cash withdrawal from the bank. The appellant submitted cash book, cash flow statement and bank statement for AYs 2016-17 and 2017-18 along with return of income for AYs 2015-16, 2016-17 and 2017-18 to prove genuineness of cash deposit made by the appellant. The Ld.CIT(A) has considered the findings of Ld.CIT(A) that assessee has earned income from rental, other sources of income and business income and return was duly filed and tax was paid during the assessment year along with cash book was produced and nothing was wrong detected by the AO and the entire facts were recorded in the books of account and further noted that Ld. CIT(A) has relied on the judgment of co-ordinate Bench of this Tribunal in the case of Ravi Mahexa (supra) and Ld. CIT(A) decided Upon perusal of the return of income bank account copy and the cash book, it is evident that the appellant is having sufficient source for the cash deposited into the bank account when the appellant has submitted cash book, the AO cannot reject the cash book without assigning any proper reasons. The appellant has withdrawn money from the bank and the same was shown as cash in hand in the cashbook. The AO could not disprove the cash balance available in the cashbook. In view of the above, the cash deposited into the bank account cannot be treated as unexplained money u/s 69A of the IT Act. By respectfully following the decision of jurisdictional ITAT, the grounds of appeal

raised by the appellant is allowed. Since the grounds raised by the Revenue (i) to (iii) are relevant to addition of Rs.1,69,10,000/- are related to addition. For grounds related to (iv) and (v) are general in nature do not require any adjudication. We find that there is nothing wrong in the order of Ld. CIT(A) and we find no infirmity in the order of Ld. CIT(A) on 06.09.2024 and we confirm accordingly.

6. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 28/11/2025.

Sd/-
(BIJAYANANDA PRUSETH)
लेखा सदस्य/Accountant Member

Sd/-
(DINESH MOHAN SINHA)
न्यायिक सदस्य/Judicial Member

सूरत / Surat Dated: 28/11/2025

Dkp Outsourcing Sr.P.S*

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

- अपीलार्थी/ The Appellant
- प्रत्यर्थी/ The Respondent
- आयकर आयुक्त/ CIT
- विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, सूरत/ DR, ITAT, SURAT
- गार्ड फाईल/ Guard File

By order/आदेश से,

// True Copy //

सहायक पंजीकार
आयकर अपीलीय अधिकरण, सूरत