

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"SMC" BENCH, MUMBAI  
BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER  
ITA No. 7229/MUM/2025 (AY : 2017-18)**

*(Physical hearing)*

Shakti Sales Corporation Shop No. 3, Kanhay Complex, Ambedkar Garden, 18 <sup>th</sup> Road, Chembur, Mumbai – 400071. [PAN No. AAQFS3132B]	Vs	ITO, Ward-27(3)(1), Mumbai 422, 4 <sup>th</sup> Floor, Vashi Railway Station, Commercial Complex, Navi Mumbai, Maharashtra – 400703.
Appellant / Assessee		Respondent / Revenue

Assessee by	Shri Ronak Gala, CA
Revenue by	Shri B. Laxmikanth, Sr. DR
Date of institution of appeal	08.11.2025
Date of hearing	29.01.2026
Date of pronouncement	29.01.2026

**Order under section 254(1) of Income Tax Act**

**PER PAWAN SINGH, JUDICIAL MEMBER;**

1. This appeal by assessee is directed against the assessment order of Id. CIT(A)/NFAC, Delhi dated 06.08.2025 for Assessment Year (A.Y.) 2017-18. The assessee has raised the following grounds of appeal:

*"1. (a) The Id. CIT(A) erred in facts and in law in upholding the addition of Rs. 10,69,500/- w/s. 69A of the Act, allegedly representing unexplained money deposited in bank accounts during the demonetization period, without appreciating the details, documents and explanations placed on record by the appellant.*

*(b) The Id. CIT(A) failed to appreciate that the actual cash deposits made during the period from 25th December 2016 to 30th December 2016 amounted to only Rs. 1,46,000/- and not Rs. 10,69,500/-. The appellant had specifically raised this issue before the CIT(A), explaining that the difference arose merely due to a mathematical totalling error on the part of the Assessing Officer.*

*(c) The Id. CIT(A) further erred in verifying or examining the documentary evidence placed on record, which clearly established that the cash deposits of ₹1,46,000/- were made entirely in new currency denominations and not in Specified Bank Notes (SBNs), as incorrectly alleged by the Assessing Officer in*

*the reassessment order. The original deposit slips evidencing this fact were duly produced as additional evidence before the CIT(A)..*

*(d) That the learned CIT(A) erred in disregarding the bank certificate produced by the appellant merely because it contained a disclaimer clause, without bringing any material or cogent evidence on records to disprove the correctness of the other factual data and totally neglecting the grounds of appeal."*

2. Perusal of record shows that there is a delay of 8 days in filing the present appeal. The impugned order by Id. CIT(A) was passed 06.08.2025 and the present appeal is filed 08.11.2025, thus there is delay of 8 days, the assessee has filed application for seeking condonation of delay with affidavit of Partner of assessee. In the application / affidavit, the assessee submitted that delay was not intentional or deliberate, he has instructed his CA to take appropriate step. However, his CA was busy in filing return / compliance of Income Tax Act. The delay is not intentional and may be condoned. The Id. Sr. DR has not opposed the plea of Id. AR of the assessee. Considering the fact that delay is only of 8 days and is not intentional or deliberate. Thus, delay in filing appeal is condoned. Now, advertent to merits of the case.
3. Rival submissions of both the parties have been heard and record perused. The learned Authorised Representative (Id. AR) of the assessee submits that assessee is a firm and running medical store. During demonetization period, the assessee deposited certain amount in the form of Specified Bank Notes (SBNs). The assessing officer in para 4.2 of assessment order recorded that assessee made cash deposit of Rs. 28.39 lacs and Rs. 4.11 lacs in its two bank accounts during demonetization. It was also noted by the AO that medical stores were allowed to received SBN upto 24.12.2016 and not thereafter, and that the assessee deposited Rs. 10,69,500/- after 24.12.2016.

accordingly Rs. 10,69,500/- was treated as unexplained money. The Id. AR submits that assessee has not deposited any SBN after 24.12.2016. The assessee has made deposit of Rs. 1,08,000/- on 30.12.2016 in new currency note of Rs. 2000/- in OD account and Rs. 38,000/- in another bank account on 26.12.2016. The assessee furnished certificate of banker of assessee that deposits in both the bank accounts were in the form of new currency note of Rs. 2,000/-. The Id. CIT(A) not accepted the certificate furnished by banker of assessee and without verification of fact upheld the addition. The Id. AR of the assessee submits that he has furnished certificate of his banker as well as deposit slip to substantiate the fact that assessee made cash deposit in the form of new currency note of Rs. 2,000/- after 24.12.2016. The assessee has also furnished the bank statement of both the accounts wherein no such cash deposit except the cash deposit of Rs. 38,000/- and Rs. 1,08,000/-.

4. On the other hand, learned Senior Departmental Representative (Id. Sr. DR) for the Revenue supported the order of lower authorities.
5. I have considered the submissions of both the parties and have gone through the orders of lower authorities carefully. I have also deliberated on the certificate issued by the banker of assessee and the bank statement of assessee. I find that assessee made cash deposit of Rs. 38,000/- in the form of new currency note of Rs. 2,000/- that is 19 notes of Rs. 2,000/- on 26.12.2016 and 54 currency note of Rs. 2,000/- on 30.12.2016 that is Rs. 1,08,000/-, thereby total deposited only Rs. 1,46,000/-. There is no other cash deposit, such fact is duly certified by Branch Manager / Deputy Branch /head of Bharat Co-operative Bank (Mumbai) Ltd. vide their Certificate No.

BCB/CMB/377/2025-26 dated 29.08.2025. Therefore, considering the clear and unambiguous evidence, I do not find any justification for confirming the addition of cash deposit by Id. CIT(A). Hence the grounds of appeal raised by assessee is allowed and the addition of cash deposit of Rs. 10.69 lac is deleted. In the result, the grounds of appeal raised by the assessee are allowed.

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

Order pronounced in the open Court on 29/01/2026.

Sd/-

**PAWAN SINGH**  
**JUDICIAL MEMBER**

MUMBAI, Dated: 29/01/2026  
*Biswajit*

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Mumbai; and
- (5) Guard file.

By Order

Assistant Registrar  
ITAT, Mumbai