



आयकरअपीलीयअधिकरण,राजकोटन्यायपीठ,राजकोट।
**IN THE INCOME TAX APPELLATE TRIBUNAL, "SMC"
RAJKOT BENCH, RAJKOT**

BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER

आयकरअपील सं. /ITA No.913/RJT/2025
निर्धारण वर्ष/Assessment Year : 2017-18

Shri Manharlal Keshavlal Bhimjiyani, G-15, Khodpara, Nr. Gopalvadi Temple, Jetpur- 360370(Gujarat)	बनाम/ Vs	The Income Tax Officer, Ward-1(2)(3), Rajkot.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: ACJPB9685M		
(अपीलार्थी/Assessee)		(प्रत्यर्थी/Respondent)

निर्धारिती की ओर से/Assessee by : Shri Mehul Ranpura, Ld. AR
राजस्वकी ओर से / Revenue by : Shri Abhimanyu Singh, Ld. Sr. DR

सुनवाई की तारीख/**Date of Hearing** : **12/01/2026**

घोषणा की तारीख/**Date of Pronouncement** : **30/01/2026**

आदेश/ORDER

Per, Dr. Arjun Lal Saini, A.M

Captioned appeal filed by the assessee, pertaining to Assessment Year 2017-18, is directed against the order passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as "the Act") by National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income-tax (Appeals) ('CIT(A)'), dated 16.10.2025, which in turn arises out of an assessment order passed by the Assessing Officer u/s. 143(3) of the Act, on 11.10.2019.



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

1. The grounds of appeal mentioned hereunder are without prejudice to one another.

2. The Ld.CIT(A), National Faceless Appeal Centre, Delhi [hereinafter referred to as the "CIT(A)"] erred on facts as also in law in confirming addition of Rs.31,00,000/- u/s.69A of the Act on the alleged ground that assessee failed to explain source of cash deposit of Rs.31,00,000/-, along with necessary supporting evidence. The addition confirmed is totally unjustified and uncalled for and deserves to be deleted and may kindly be deleted.

3. Your Honour's assessee craves leave to add, to amend, alter, or withdraw any of more grounds of appeal on or before the hearing of appeal.

3. Succinctly, the factual panorama of the case is that assessee before us is an Individual and has e-filed his return of income, by declaring therein total income at Rs.1,85,740/- on 02.01.2018. The assessee's case was selected for Limited Scrutiny under CASS for examination of cash deposit in the bank account. The notice u/s.143(2) of the Act, was issued on 09.08.2018 and duly served upon the assessee. Further, notices u/s 142(1) dated 29.05.2019, 23.08.2019, 17.09.2019 and 04.10.2019, were issued to the assessee through ITBA System, calling for various details relevant to the e-assessment proceedings. In response to the above notices, the assessee through e-filing portal has online uploaded necessary details as called for. The assessee, is an individual and engaged in the business of Recharge of DTH of Bharti Telemedia Ltd during the year under consideration. The assessing officer noticed that during the FY 2016-17 relevant to assessment year 2017-18, cash of Rs.31,00,000/- was deposited in bank account no.30337897684, S.B.I and bank account no.063011031200, Dena Bank. The assessing officer asked the assessee to explain the source of cash deposit. In response to that the assessee submitted that cash of Rs. 10,00,000/- each was withdrawn on 16.09.2015, 18.09.2015, 02.09.2015 and 21.09.2015 respectively.



Such cash withdrawal was from fixed deposit with State Bank of India. The cash was withdrawn for some religious activity (Saptah) for entire family at Haridwar. But due to family dispute, the same was cancelled and cash of Rs.31,00,000/- was redeposited in State Bank of India, besides, the part cash deposit was out of past savings and receipts from the trading activity of the assessee, as the assessee is small trader engaged in the business of recharge of Mobiles. However, the assessing officer rejected the above contention of the assessee and made addition to the tune of Rs.31,00,000/-, in the hands of the assessee, u/s.69A r.w.s.115BBE of the Act.

4. Aggrieved by the order of the Assessing Officer, the assessee carried the matter in appeal before the CIT(A), who has confirmed the action of the assessing officer. The Id.CIT(A) observed that there is no documentary evidence of any religious activity stated to be performed by the assessee, and assessee has not filed sufficient evidence to prove his claim therefore, assessing officer was justified in making the addition of Rs.31,00,000/-.

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

6. Shri Mehul Ranpura, Learned Counsel for the assessee, vehemently argued that assessee has deposited cash in the bank account out of the earlier cash withdrawal and for that purpose assessee submitted an affidavit which is placed at page No.7 of the paper book and a part amount was deposited out of past savings and out of assessee's, trading activities. Hence, the addition should not have been made in the hands of the assessee, as the assessee, has explained the sources of the cash deposit in the bank account.



7. On the other hand, the Ld. DR for the Revenue has primarily reiterated the stand taken by the Assessing Officer, which we have already noted in our earlier para and is not being repeated for the sake of brevity.

8. I have carefully considered the facts of the case, the submission of the Learned Counsel for the assessee and Id DR for the Revenue and evidences on record. I note that assessee used to remit available cash in fixed deposits and portion there of aggregating Rs. 40,00,000/- in the immediately preceding year from his current account with State Bank of India, as evident from body of assessment order. The very purpose of cash withdrawals in the immediately preceding year was intended to perform "Saptah" in Haridwar, which could not be materialized due to compelling family circumstances as deposed in sworn-in-affidavit. In the circumstances, the assessee re-deposited cash of Rs. 31,00,000/- out of cash withdrawals made in the immediately preceding year in current account with State Bank India and very fact is depicted in body of assessment order. I note that assessing officer did not dispute cash withdrawals of Rs. 40,00,000/- from the current account with State Bank of India and there was no material or circumstantial evidence to suggest utilization of such withdrawals elsewhere. I also find that there was direct and proximate nexus of withdrawals in the immediately preceding year for specific religious purpose and corresponding re-deposit in bank account, as deposed in sworn-in-affidavit. I also note that a part amount was deposited by the assessee in the bank account out of past savings and out of his small trading business. There exist no material or circumstantial evidences to suggest that the assessee was having income from undisclosed sources and cash deposits were flown from such undisclosed source of income. The least that was expected from the quasi-judicial authority was to consider the documents in objective manner. The assessing officer is not authorized to draw inference by



misreading vital evidences to accommodate alleged finding on fallacious assumption on surmises.

9. However, I also find that some of the documents and evidences are self-servicing, documents and evidences on which reliance cannot be placed, such as affidavit, past savings etc, therefore, to protect the interest of the revenue, an *ad-hoc*, estimated addition should be made in the hands of the assessee. Therefore, I find some merit in the contention of the Id. Counsel for the assessee. Hence, I find that while the case of the assessee merits some relief, at the same time entire relief cannot be permitted to the assessee. In my view, the ends of justice would be met, if a net profit rate of @ 10% of Rs. 31,00,000/-, which comes to Rs.3,10,000/-, is adopted, since the same would take care of the inconsistencies, in the various documents and evidences submitted before the lower authorities. Therefore, in order to plug the leakage of revenue, I direct the assessing officer to make addition of Rs.3,10,000, by applying the normal rate of income tax (not under section 115BBE of the Act). It is also made clear that this adjudication has been done considering the peculiar facts and circumstances of the assessee, therefore, the instant adjudication shall not be treated as a precedent in any preceding or succeeding assessment year.

10. In the result, appeal filed by the assessee is partly allowed, in above terms.

Order pronounced in the open court on 30/01/2026.

Sd/-
(Dr. Arjun Lal Saini)
लेखा सदस्य/Accountant Member

राजकोट /Rajkot
दिनांक/ Date: 30/01/2026



Copy of the Order forwarded to

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

// True copy //

By Order

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot