

**IN THE INCOME TAX APPELLATE TRIBUNAL
'SMC' BENCH : BANGALORE**

**BEFORE SHRI PRASHANT MAHARISHI, VICE – PRESIDENT
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No. 1038/Bang/2025
Assessment Year : 2017-18

M/s. Excel Stone Developers Private Limited, Flat No. 106, Butterfly, Mariyappa Layout, Panathur, Karnataka – 560 103. PAN: AADCE8068N	Vs.	The DCIT, Circle 2(2)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	None
Revenue by	:	Shri Ganesh R Ghale – Advocate, Standing Counsel for Revenue

Date of Hearing	:	04-12-2025
Date of Pronouncement	:	09-02-2026

ORDER

PER PRASHANT MAHARISHI, VICE – PRESIDENT

1. ITA No. 1038/Bang/2025 is filed by M/s. Excel Stone Developers Private Limited (the Assessee/Appellant) for Assessment Year 2017-18 against the order of the Ld. CIT(A) passed on 21.02.2025 wherein the Appeal filed by the Assessee against the Assessment Order passed by the National Faceless Assessment Centre u/s. 147 r.w.s. 144 r.w.s. 144B of the Income Tax Act dated 21.03.2022 was dismissed.
2. The only grievance of the Assessee in substance is the addition of Rs. 20,50,000/- made by the Ld. Assessing Officer as unexplained cash deposit u/s. 69 of the Act is confirmed.
3. The brief fact of the case shows that the Assessee is a company proprietary developer who filed its return of income on 31.01.2018 at Rs. Nil/-. It was

found that Assessee has deposited Rs. 20,50,000/- during demonetization period in its HDFC bank account no. 477. Therefore, the case of the Assessee was reopened by issuing of notice u/s. 148 on 31.03.2021. Assessee did not file any return of income in response to that notice. However, when subsequent notices were issued the Assessee submitted the reply stating that the sources of cash deposit made are out of cash withdrawal from the bank and part of the amount is received from the customer. Assessee has claimed that Rs. 6,75,000/- is received from the customer and balance sum is out of cash withdrawal from the bank. The Assessee was asked to show the genuineness of the transaction. However, Assessee was not able to show any documentary evidence and therefore once again the Assessee was asked to produce the evidence. Assessee submitted that it is unable to attach a copy of the customer's agreements and receipts as they are very big in size and Assessee was unable to understand that what evidence is required as proof of cash withdrawal. The Ld. Assessing Officer in absence of any information made an addition of Rs. 20,50,000/- u/s. 69A of the Act and passed the Re-Assessment Order on 21.03.2022.

4. Assessee carried the same before the Ld. CIT(A). The Assessee was given five opportunities but there was no response from the Assessee and therefore the Ld. CIT(A) dismissed the Appeal of the Assessee holding that the decision made by the Ld. Assessing Officer in the assessment proceedings cannot be dislodged.
5. Therefore, the Assessee is in appeal before us.
6. Before us, the Assessee submitted a written submission dated 15.10.2025 as well as a huge paper book containing 179 pages. Despite the notice, none appeared before us. In the written submission, the Assessee submitted that a sum of Rs. 20,00,000/- was withdrawn from the HDFC Bank. Assessee has produced the relevant portion of the bank statement evidencing the withdrawal. With respect to Rs. 6,25,000/- it was submitted that same was used for the expenses and the balance sum of Rs. 13,75,000/- was available in hand. The Assessee also submitted the list of 7

customers wherein it was stated that the Assessee has received a sum of Rs. 6,75,000/- in cash from them. The total of the same is deposited in the bank account of the Assessee. Thus, assessee has submitted the sources of the cash of Rs. 20,50,000/- in the bank account.

7. The Ld. Departmental Representative Shri Ganesh R Ghale, Standing Counsel for Revenue vehemently objected to the same and submitted that the Assessee has not submitted any details before the Ld. lower authorities. However, here the Assessee has submitted all the evidence without making any application for submission of the additional evidence and therefore, they cannot be admitted and the Appeal of the Assessee needs to be disallowed.
8. We have carefully considered the rival contention and perused the orders of the Ld. lower authorities. We find that the Assessee has given an explanation that it has deposited Rs. 20,50,000/- in the HDFC bank account and sources of which is part of the cash withdrawal amounting to Rs. 13,75,000/- out of the amount withdrawn on 28.10.2016. Further, the Assessee has given the name of the 7 customers along with the complete proofs for deposited money with the Assessee amounting to Rs. 6,75,000/-. Thus, before us the Assessee has tried to explain that sum of Rs. 20,50,000/- deposited by the Assessee is out of the proceeds of cash available with the Assessee in its cash book.
9. Looking at the details submitted by the Assessee we find that Assessee has not submitted any cash book before us. It has merely submitted cash statement. However, statement also only shows that the amount of Rs. 20,00,000/- were withdrawn on 20.10.2016. The bank account of the Assessee submitted before us does not show on which date the Assessee has deposited cash with the HDFC bank. Such date is neither mentioned by the Ld. Assessing Officer in the order nor Ld. CIT(A) in his appellate Order. Therefore, it is not known to us when Assessee deposited the amount in the bank account in cash. The Assessee has also not explained this in its written submission. Thus, we cannot confirm or delete the above addition as, with

respect to the sum of Rs. 13,75,000/- stated to be available with the Assessee, Assessee has not furnished the cash book.

10. In view of above facts, despite Assessee submitting voluminous paper book but not submitting the relevant information to decide on the merits of the issue, we restore the whole issue back to the file of the Ld. Assessing Officer with a direction to the Assessee to explain the sources of funds to the Assessing Officer by producing the cash book, the sources of balance sum out of the withdrawal, the details of cash received from various parties giving their confirmation etc., The Ld. Assessing Officer may examine the same and after that decide the issue a fresh.
11. In the result, the Appeal filed by the Assessee is allowed for statistical purposes.

Order pronounced in the open court on 09th February, 2026.

Sd/-
(SOUNDARARAJAN K.)
JUDICIAL MEMBER

Sd/-
(PRASHANT MAHARISHI)
VICE-PRESIDENT

Bangalore,
Dated, the 09th February, 2026.

TNTS

Copy to:

1. Appellant
2. Respondent
3. CIT
4. DR, ITAT, Bangalore
5. CIT(A)

By order

Assistant Registrar,
ITAT, Bangalore