

**IN THE INCOME TAX APPELLATE TRIBUNAL
SURAT "SMC & DB" BENCH, SURAT**

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

I.T.A. Nos.1054 & 1092/SRT/2022
(Assessment Year:2011-12)

Sanketkumar Dipakbhai Vashi, 1-52,Bhagat Falia, 15, Shraddha, Smrutikunj Soc., Jalalpore Road, Navsari-396445 PAN : AHVP1793K	Vs.	The ITO, Ward-5, Navsari
(Appellant)	..	(Respondent)
Appellant by :	Shri Sapnesh Sheth, Advocate	
Respondent by:	Ms. Namita Patel Sr. D.R. & Shri Ashish Kumar, Sr. D.R.	
Date of Hearing	20.01.2026	
Date of Pronouncement	16.02.2026	

ORDER

PER SUCHITRA KAMBLE, JUDICIAL MEMBER:-

These two appeals are filed against the orders dated 13-08-2025 & 19-09-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2011-12.

2. The assessee did not file return of income for A.Y. 2011-12. The case was reopened after recording the reasons and taking necessary approvals. Notice u/s. 148 of the Act was issued on 28-03-2017. In response to notice u/s. 148, the assessee did not file return of income. Subsequently, notice u/s. 142(1) r.w.s. 129 of the Act was issued and served upon the assessee. The Assessing Officer observed that the assessee made cash deposit of Rs. 27,62,395/- in his bank account(Yes Bank). The assessee

did not file any reply, therefore the Assessing Officer obtained details u/s. 133(6) of the Act through bank. After obtaining bank details, the Assessing Officer issued show cause notice dated 18-08-2017 to the assessee. Assessee did not respond the same. Therefore, the Assessing Officer made addition of Rs. 27,62,395/- as unexplained money and further made addition of Rs. 15,66,867/- as credit entries deemed to be income of the assessee for assessment year 2010-11.

3. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) partly allowed the appeal of the assessee.

4. The ld. A.R. submitted that the deposits made in the savings bank (Yes Bank) mainly belong to his brother, who made these deposits in assessee's bank account out of cash received from various clients for payment of insurance premium. The ld. A.R. submitted that the pattern of deposit and payment of insurance premium appearing in Bank account itself demonstrates the same. For addition of unexplained credit entries, the ld. A.R. submitted that the Assessing Officer has made this addition of credit entries as deemed income. But in fact that the credit entries of deposits of payment from various clients for insurance premium.

5. The ld. D.R. relied upon the assessment order and order of CIT(A).

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6. We have heard both the parties and perused all the relevant material available on record. As regards ground no. 1, it is pertinent to note that the assessee has given the details of cash withdrawals made from Yes bank account amounting to Rs. 11,03,020/- (details given on page 26 of the paper book) with correspondence with the Bank statement given on page nos. 13 to 15 of the paper book. It is observed that the Bank account at Yes bank was jointly held by assessee along with his brother Jubin Vashi . Amount of Rs. 13,55,935/- received from clients of assessee's brother against which insurance policy was issued also reflects in page nos. 12 to 16 of Bank statement mentioning Max New York Life Insurance. The assessee has also given details of cash income of Rs. 1,50,000/- as well as opening cash balance of Rs. 1,53,440/-. Thus, the assessee explained the amount of Rs. 27,62,395/-. All these documents were before the CIT(A). But the CIT(A) did not consider the same. Hence addition of Rs. 27,62,395/- does not sustain. Hence ground no. 1 is allowed.

7. Now coming to ground no. 2, the assessee has given the details of source of credit entries to the extent of Rs. 17,14,407/- except the source of Rs. 59,000/-. The chart showing summary of all credit entries other than cash deposit in Yes bank account is as follows:

Sl No.	Amount (In Rs.)	Narration/Explanation
1.	1,116/-	Saving Bank Interest already offered as income in his return of income. Hence, no separate addition

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		<i>is required to be made in this regards.</i>
2.	25,050/-	<i>Premature withdrawal of Term deposit formed on 03.05.2010 i.e. during the year itself from the same bank account. Hence, no addition is required to be made in this regards.</i>
3.	87/-	<i>Transferred from own Yes Bank a/c 001190100026711. Hence, no addition is required to be made in this regards.</i>
4.	61,349/-	<i>Funds given to Jubin Vashi during the year under consideration from same bank account received back.</i>
5.	4,50,000/-	<i>Funds of Rs. 2,05,000/- given to Snehaben Desai during the year under consideration from same bank account received back. Balance amount of Rs. 2,45,000/-represent loan taken during the year</i>
6.	3,00,000/-	<i>Funds given to Jay R Shah during the year under consideration from same bank account received back.</i>
7.	3,40,000/-	<i>Funds given to Aditya N Contractor during the year under consideration from same bank account received back.</i>
8.	1,80,000/-	<i>Funds given to Pradipkumar Katariya during the year under consideration from same bank account received back. (given on 25.02.11 & recd back on 26.02.11 as evident from bank statement itself)</i>
9.	1,24,000/-	<i>Funds given to Shekh Jamanul Rachman during the year under consideration from same bank account received back. (given on 27.03.11 & 29.03.11 & recd back on 29.03.11 as evident from bank statement itself)</i>
10.	2,26,305/-	<i>Loan received from Chaitali Vashi during the year under consideration. Account confirmation & PAN of lender is enclosed herewith.</i>
11.	6,500/-	<i>Cheque deposited but returned due to insufficient funds. Hence, no addition is required to be made in this regards.</i>
12.	9,000/-	<i>Source not traceable at present</i>
13.	50,000/-	<i>Source not traceable at present</i>
	17,73,407/-	<i>Total</i>

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Therefore the addition to the extent of Rs. 59,000/- is confirmed in respect of credit entries. Ground no. 2 is partly allowed.

8. As relates to ITA 1092/Srt/2022, since the addition has been partially deleted, the penalty u/s. 271(1)(c) does not survive. Hence, ITA No. 1092/Srt/2022 is allowed.

9. In result, appeal being ITA No. 1054/Srt/2022 is partly allowed and appeal being ITA No. 1092/Srt/2022 is allowed.

Order is pronounced in the open Court on 16.02.2026

Sd/-

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

Surat; Dated 16/02/2026
ak

Sd/-

**(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

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. गार्डफाईल / Guard file.

आदेशानुसार/ BY ORDER,

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण
ITAT, Surat