

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH MUMBAI**

**BEFORE SHRI PAWAN SINGH, JUDICIAL MEMBER &
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER**

**ITA No. 6749/Mum/2025
(Assessment Year: 2017-18)**

Amish Harenkumar Parikh, Room No. 13/14, Ganesh Bhuvan, Dubash Lane V. P. Road, Girgaum Charni Road, E Sikka Nagar, Mumbai-400 016.	Vs.	ITO Ward - 19(1)(1), Mumbai Kautilya Bhawan, Mumbai – 400 051.
PAN/GIR No. AMNPP9674J		
(Applicant)		(Respondent)

Assessee by	Shri Vijay Shah, Ld. AR
Revenue by	Smt. Usha Gaikwad, Ld. DR

Date of Hearing	16.03.2026
Date of Pronouncement	01.04.2026

आदेश / ORDER

PER MAKARAND VASANT MAHADEOKAR, AM:

This appeal is filed by the assessee against the order passed by the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi [hereinafter referred to as "CIT(A)"], dated 02.01.2025, arising from the assessment order passed by the Assessing Officer under section 144 r.w.s. 143(3) of the Income

Tax Act, 1961[hereinafter referred to as "the Act"] dated 21.12.2019 for A.Y. 2017-18.

Facts of the Case

2. The assessee is an individual who filed his return of income for A.Y. 2017-18 on 01.08.2017 declaring total income of Rs. 2,99,070/-. The case was selected for limited scrutiny under CASS for the purpose of verification of "cash deposits during demonetization period".

3. During the course of assessment proceedings, notice under section 143(2) was issued on 21.09.2018 followed by notices under section 142(1) dated 12.10.2019 and 12.11.2019 along with questionnaire. The assessee furnished certain bank statements; however, no details were furnished in respect of the bank account wherein cash deposits were noticed. On verification of ITS data and ITBA/360-degree profile, the Assessing Officer observed that the assessee had deposited cash of Rs. 11,00,000/- in Corporation Bank, Kandivali (West). A show cause notice dated 06.12.2019 was issued requiring the assessee to explain the source of such deposits. In response, the assessee submitted that the said bank account was opened and operated by his father and that he was not in talking terms with his parents and therefore was unable to furnish complete details. However, no supporting evidence was furnished to substantiate the claim. The Assessing Officer held that the assessee failed to explain the nature and source of the cash deposits and also failed to comply with statutory notices. Accordingly, the assessment was

completed under section 144 of the Act and the amount of Rs. 11,00,000/- was treated as unexplained money under section 69A r.w.s. 115BBE of the Act. The total income was assessed at Rs. 15,77,130/- as against returned income of Rs. 4,77,130/-. Penalty proceedings under section 271AAC and section 272A(1)(d) were also initiated.

4. Aggrieved, the assessee preferred an appeal before the CIT(A). Before the CIT(A), the assessee submitted that the cash deposits were out of earlier withdrawals and past savings. A tabular statement of cash withdrawals and deposits was furnished to demonstrate availability of cash. However, the CIT(A) observed that the assessee failed to substantiate the claim with credible documentary evidence and failed to establish nexus between withdrawals and deposits. It was further observed that the explanation regarding operation of bank account by the father was not supported by any evidence. Accordingly, the CIT(A) upheld the action of the Assessing Officer in making addition of Rs. 11,00,000/- under section 69A r.w.s. 115BBE of the Act and dismissed the appeal.

5. Aggrieved by the order of CIT(A), the assessee is in appeal before us.

6. During the course of hearing before us, the learned Authorised Representative submitted that the assessee has now placed on record a detailed cash flow statement along with bank statements demonstrating that the cash deposits during the demonetization period were sourced out of earlier withdrawals. It

was fairly submitted that these evidences could not be furnished before the lower authorities. Therefore, it was prayed that the matter may be restored to the file of the Assessing Officer for verification of the evidences now placed on record.

7. The learned Departmental Representative, while supporting the orders of the lower authorities, fairly submitted that the assessee had failed to furnish explanation before the Assessing Officer. However, the learned DR did not object to restoration of the matter for verification of additional evidences.

8. We have carefully considered the rival submissions and perused the material available on record. It is an admitted position that the addition of Rs. 11,00,000/- has been made by the Assessing Officer under section 69A of the Act on account of cash deposits during the demonetization period on the ground that the assessee failed to explain the source of such deposits.

9. From the record, it is evident that the assessee did not furnish necessary details before the Assessing Officer and the assessment was completed under section 144 of the Act. The CIT(A) has also confirmed the addition primarily on the ground that the explanation remained unsubstantiated.

10. However, before us, the assessee has placed on record a cash flow statement along with supporting bank statements purporting to explain that the cash deposits were out of earlier withdrawals. These evidences go to the root of the matter and require proper verification.

11. In our considered view, when material evidences which have a direct bearing on the issue are produced for the first time before the Tribunal, the same ought to be examined by the Assessing Officer so as to arrive at a proper conclusion in accordance with law. At the same time, it is also a fact that the assessee failed to furnish these details before the lower authorities despite opportunities.

12. Considering the entirety of facts and in the interest of justice, we deem it appropriate to restore the issue to the file of the Assessing Officer for the limited purpose of verification of the cash flow statement and supporting evidences now furnished by the assessee.

13. The Assessing Officer shall examine the evidences and decide the issue afresh in accordance with law after providing reasonable opportunity of being heard to the assessee. The assessee is also directed to cooperate and furnish all necessary details as may be called for.

14. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 01.04.2026.

Sd/-
(PAWAN SINGH)
JUDICIAL MEMBER

Sd/-
(MAKARAND VASANT MAHADEOKAR)
ACCOUNTANT MEMBER

Mumbai, Dated 01/04/2026
Dhananjay, Sr.PS

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

1.

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई / ITAT, Mumbai