

**IN THE INCOME TAX APPELLATE TRIBUNAL “ F ” BENCH, MUMBAI**  
**BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT AND**  
**SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER**

ITA No. 9239/Mum/2025  
(Assessment Year:2021-22)

Jignesh Manojkumar Shah 1105, Rustomjee Adarsh Excellency CHSL, Adarsh Dugdhalay Lane, Off Marve Road, Malad (W), Mumbai-400 064	Vs.	ITO, Ward-41(3)(2) Kautilya Bhavan, Bandra (E), Mumbai-400 051
PAN/GIR No. AADPS 6589 F		
<b>(Appellant)</b>	:	<b>(Respondent)</b>
<b>Appellant by</b>	:	Shri Rajesh Shah
<b>Respondent by</b>	:	Shri Nayanjyoti Nath-Sr. AR
<b>Date of Hearing</b>	:	12.03.2026
<b>Date of Pronouncement</b>	:	17.04.2026

ORDER

Per Saktijit Dey, Vice President:

This is an appeal by the assessee against order dated 13.11.2025 passed by National Faceless Appeal Centre (‘NFAC’ for short), Delhi for the assessment year (A.Y. for short) 2021-22.

2. The solitary grievance of the assessee in the present appeal is addition of Rs.3,80,560/- u/s. 68 of the Income Tax Act, 1961 (‘the Act’ for short).

3. Briefly, the facts are, the assessee is a resident individual. For the assessment year under dispute, the assessee filed his return of income u/s. 139(1) of the Act. The return of income filed by the assessee was selected for limited scrutiny to examine refund claim.

4. In course of assessment proceeding, the Assessing Officer (‘A.O.’ for short), while comparing the return of income of the impugned assessment year with that of A.Y. 2020-21 found increase in the capital account as also in unsecured loans. After calling for and

examining the details, he found that the increase in capital was due to introduction of cash of Rs.3,80,560/-. When the A.O. called upon the assessee to explain the source of such cash introduction to capital account, the assessee submitted that the amount was introduced out of loan received from Ms. Hina Rakesh Mehta. The A.O., however, was not convinced with the submissions of the assessee. Not only he disbelieved assessee's explanation regarding the source of introduction of cash to capital account, but he also rejected his explanation regarding the source of unsecured loan of Rs.10 lacs. Thus, he made an addition of Rs.3,80,560/- u/s. 68 of the Act.

5. The assessee contested the addition before the first appellate authority. While deciding the appeal, ld. first appellate authority deleted the addition made of Rs.10 lacs representing unexplained cash credit of loan received of Rs.10 lacs from Ms. Hina Rakesh Mehta. However, insofar as introduction of cash of Rs.3,80,560/- to the capital account, ld. First appellate authority did not accept assessee's plea that it was out of the cash available with him in his personal capacity.

6. Before us, ld. Counsel appearing for the assessee submitted that the cash amounting to Rs.3,80,560/- was available with the assessee in his personal balance sheet. In this context, he drew our attention to the balance sheet as on 31.03.2020.

7. The ld. Departmental Representative ('ld. DR' for short) relied upon the observations of the departmental authorities.

8. We have considered rival submissions and perused the materials available on record. As discussed in the foregoing paragraphs, the A.O. rejected assessee's explanation with regard not only to the unsecured loan received from Ms. Hina Rakesh Mehta, but he

also disbelieved assessee's claim regarding the introduction of cash in his capital account out of past savings. However, ld. First appellate authority has granted relief *qua* the unsecured loan of Rs.10 lacs received from Ms. Hina Rakesh Mehta. Insofar as, cash of Rs.3,80,560/- introduced to the capital account, on perusal of the balance sheet of the assessee, we find availability of cash. Moreover, in the assessment order, the A.O. himself has stated that the assessee is deriving income from salary and other sources. In fact, the assessee has filed the return of income offering income of Rs.1,38,46,790/-. Looking at the quantum of income returned by the assessee as also the fact that the assessee is earning income for past more than two decades, it can be assumed that the assessee had accumulated cash available with him to introduce to the capital account. Thus, on over all consideration of facts and materials on record, we hold that the addition of Rs.3,80,560/- u/s. 68 of the Act is unsustainable. Accordingly, the A.O. is directed to delete it.

9. In the result, the appeal is allowed.

*Order pronounced in the open court on 17.04.2026*

Sd/-

(Makarand V. Mahadeokar)  
Accountant Member

Sd/-

(Saktijit Dey)  
Vice President

Mumbai; Dated : 17.04.2026

Roshani, Sr. PS

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT - concerned
5. DR, ITAT, Mumbai
6. Guard File

BY ORDER,

(Dy./Asstt. Registrar)  
ITAT, Mumbai