



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.2405/PUN/2025

Assessment Year : 2015-16

Manoj Mansukhlal Gundecha, 1375, Suraj Panna, Main Road, A/P. Kedgaon Station, Tal. Daund, Dist. Pune 412203 Maharashtra PAN : AHMPG9948C	Vs.	Income Tax Officer, Ward-14(5), Pune
Appellant		Respondent

Assessee by	:	Shri Mahavir Jain
Revenue by	:	Shri Dayanand Jawalikar
Date of hearing	:	12.03.2026
Date of pronouncement	:	17.04.2026

आदेश / ORDER

The captioned appeal at the instance of assessee pertaining to A.Y. 2015-16 is directed against the order dated 22.08.2025 framed by National Faceless Appeal Centre, Delhi (NFAC) arising out of Assessment Order dated 22.03.2024 passed u/s. 147 r.w.s.144B of the Income Tax Act, 1961 (in short 'the Act').

2. Assessee has raised various issues in Ten grounds of appeal which revolves the additions namely; addition for sundry creditors u/s.68 at Rs.11,37,428/-; addition for opening stock at Rs.4,26,907/-; addition for opening balance in capital account at Rs.4,36,001/-; unexplained money in the bank account at Rs.1,16,600/-; and disallowance of deduction u/s.80C of the Act for Tuition Fees at Rs.50,000/-.



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3. Ld. Counsel for the assessee vehemently argued referring to the detailed submissions filed before ld.CIT(A) as well as the paper book running into 137 pages.

4. On the other hand, ld. DR supported the order of ld.CIT(A).

5. I have heard the rival contentions and perused the record placed before me. I observe that the assessee is an individual and did not file the regular return of income for A.Y. 2015-16. Based on specific information about cash deposit of Rs.88,30,000/- in the bank account held with Bank of Maharashtra, reassessment proceedings have been initiated by issuance of notice u/s.148 of the Act followed by notices u/s.143(3)/142(1) of the Act. During the course of assessment proceedings, it was submitted before the Assessing Officer that books of account are duly audited and Tax Audit report stands e-filed and available on the income-tax portal. Various other submissions were made regarding the source of cash deposits found to be justified by ld. Assessing Officer and no addition has been made for explained cash deposit. So far as the financial statements are concerned, ld. Assessing Officer based on the observation that assessee has not furnished income tax return for the preceding year, therefore, unable to verify the correctness of opening stock, opening capital account. Ld. Assessing Officer also noted that proof of Tuition fees of Rs.50,000/- has not been filed. Also based on the bank account transactions even though the assessee has successfully explained the source of cash deposit from the



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business trading in Jaggery, however, ld. Assessing Officer calculated the figure of excess credit in the bank account at Rs.1,16,600/- and made addition thereof. Thereafter, the assessee challenged these additions before ld.CIT(A) but failed to succeed.

6. Before me, ld. Counsel for the assessee has referred to the income tax return and financial statements for A.Y. 2009-10 and A.Y. 2010-11. Tax Audit Report placed at pages 10 to 20 of the paper book has also been examined which indicates that the assessee has shown the sales turnover approximately Rs.3.94 crore from Jaggery trading and sugar trading. Assessee has also furnished the return in reply to notice u/s.148 of the Act declaring income of Rs.2,66,000/-. It is also demonstrated that assessee has been carrying out the business activity for last 15-20 years but during the year when the income is below the taxable limit and business activity was at halt the returns have not been furnished. It is also stated that for the subsequent years books of accounts are duly audited and returns are regularly filed.

7. As regards the addition for Sundry Creditors at Rs.11,37,428/- is concerned, I note that the assessee has furnished complete details of sundry creditors with their confirmations. It is also demonstrated that loans of the sundry creditors have been paid in subsequent year. Considering the turnover of the assessee it remains undisputed by the ld. Assessing Officer and also there being no dispute about the genuineness of purchases, I fail to find



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any justification in the addition for unexplained sundry creditors u/s.68 of the Act at Rs.11,37,428/- and the same is hereby deleted. Ground No.4 raised by the assessee is allowed.

8. I take up the addition for unexplained opening stock at Rs.4,26,907/- and unexplained opening balance in capital account at Rs.4,36,001/-. As discussed above, the assessee has been into this business for past many years and in the financial statements pertaining to F.Y. 2009-10 the capital account of the assessee is shown at Rs.7,58,103/- and the same stands duly submitted with the income tax authorities. From 01.04.2010 till 31.03.2014 even though the assessee has not earned taxable income but with the minimal increase of Rs.1.25 lakh addition to the capital account, assessee has claimed to have closing capital balance as on 31.03.2014 at Rs.11,94,203/-. So there is increase in capital from 31.03.2010 to 31.03.2014 at Rs,4,36,001/-. Ld. Assessing Officer has not accepted the said increase and has made the addition for unexplained opening stock as well as opening capital. However, considering the fact that even after having household withdrawals of Rs.75,000/- on yearly basis, assessee could have easily saved Rs.1.50 lakh per year from the income earned during the year which is below the taxable limit, I am of the considered view that the assessee has successfully explained the source of opening capital balance as on 01.04.2014 and the addition made by ld. Assessing Officer for opening capital balance at Rs.4,36,001/- is uncalled for. Similarly since the addition for opening capital stands deleted, therefore the funds



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available with the assessee claimed to have been utilized for increasing the stock in hand stands accepted and therefore the addition for unexplained opening stock at Rs.4,26,907/- is also uncalled for. Finding of ld.CIT(A) is reversed. Grounds of appeal No. 5 and 6 raised by the assessee are hereby allowed.

9. Next issue is regarding excessive credit in the bank account at Rs.1,16,600/-. Ld. Assessing Officer has exhaustively examined the bank statement and is satisfied with the major amount of credit entries totalling to Rs.4,34,33,080/- and after considering the turnover declared by the assessee as well as the loans taken, ld. Assessing Officer has only made the addition for the difference at Rs.1,16,600/-. As observed in the preceding para, while dealing with Ground Nos. 5 and 6, I have held that the assessee has accumulated funds of Rs.6.00 lakh in addition to the closing balance as on 31.03.2010 and after giving the benefit of the investment made in the opening stock available as on 01.04.2014 the assessee still has Rs.1,73,093/- which was sufficient to explain the difference of excess credit in the bank. Thus, addition of Rs.1,16,600/- is also deleted. Ground No.7 raised by the assessee is allowed.

10. Other issue relates to disallowance of deduction of Tuition Fees u/s.80C of the Act at Rs.50,000/-. I note that the assessee has made the claim in the return filed in response to notice u/s.148 of the Act. Admittedly, the assessee could not furnish the Tuition Fee receipts because



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the year involved here is around ten years old. However, the assessee has placed the copy of bank statement available at pages 139 to 147 of the paper book and specifically the entry on 05.04.2014 is appearing where there is a clearing of payment of Rs.50,000/- made to school. Considering the fact that assessee has maintained regular books of account which are duly audited and the bank statement is also part of the audited books of account, I am of the considered view that the payment made to the school through banking channel can be taken as an evidence for the claim made u/s.80C of the Act. Accordingly, the disallowance of deduction u/s.80C of the Act at Rs.50,000/- is hereby deleted. Ground No. 8 raised by the assessee is allowed.

11. So far as remaining grounds raised by the assessee are concerned, I hold that since I have already deleted the additions, dealing with those grounds would be merely academic in nature.

12. In the result, the appeal of the assessee is allowed as per the terms indicated hereinabove.

Order pronounced on this 17th day of April, 2026.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 17th April, 2026.
Satisf



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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Assistant Registrar,
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.