

**IN THE INCOME TAX APPELLATE TRIBUNAL
"B" BENCH, AHMEDABAD**

**BEFORE SHRI RAHUL CHAUDHARY, JUDICIALMEMBER
&SHRI GANGADHAR PANDA, ACCOUNTANT MEMBER**

I.T.A. No.1202/ Ahd/ 2026
(Assessment Year:2017-18)

Bhavin Amratlal Shah, A-502, Ashirwad Flats, Opp. Jalaram Mandir, Paldi, Ahmedabad-380007	Vs.	Income Tax Officer, Ward-5(3)(1), Ahmedabad
[PAN No.ANYP59457N]		
(Appellant)	..	(Respondent)

Appellant by :	Shri Biren Shah, AR
Respondent by:	Shri Manish Kasodekar, Sr. DR

Date of Hearing	04.08.2026
Date of Pronouncement	14.10.2026

ORDER

PER GANGADHAR PANDA - ACCOUNTANTMEMBER:

The captioned appeal has been filed by the assessee against the order passed by the Ld. Commissioner of Income Tax (Appeals), (hereinafter referred to as "Ld. CIT(A)"), National Faceless Appeal Centre (in short "NFAC"), Delhi dated 21.12.2023 under Section 250 of the Income Tax Act, 1961 arising out of the Assessment Order, dated 26.12.2019 completed under Section 143(3) of the Income Tax Act, 1961 [hereinafter referred to as 'the Act'] for the Assessment Year 2017-18.

2. The assessee has raised the following grounds of appeal:

"1. On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in confirming addition of Rs.3,33,50,500/- towards unexplained money u/s 69A of the Act on account of cash deposit during demonetization period.

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2. *On the facts and in the circumstances of the case, the Ld. CIT(A) has erred in confirming addition of Rs. 3,33,50,500/- towards unexplained money u/s 69A of the Act without considering the fact that the cash deposit during the demonetization period does not constitute a violation of the Income Tax Act, especially since the Reserve Bank of India permitted any person to deposit specified bank notes into their bank account on or before the 'appointed date'.*

3. *The appellant craves leave to add, alter, amend and/or withdraw any ground or grounds of appeal either before or during the course of hearing of the appeal."*

3. At the outset, the Registry has noted that the appeal is time barred by 768 days. The assessee has filed an Affidavit explaining the reasons for the delay and has submitted that the delay was neither deliberate nor due to any wilful neglect. It has been stated that during the relevant period the assessee being the sole care given was required to devote substantial time and attention to the serious medical condition of his daughter, who underwent treatment and hospitalization, and that the assessee, being a small businessman, was also not fully conversant with the provisions and limitation prescribed for filing an appeal before the Tribunal.

4. We have considered the contents of the Affidavit alongwith the enclosed medical documents and the reasons stated therein. Having regard to the overall facts and circumstances of the case, we are satisfied that the assessee has shown sufficient and bona fide cause for the delay in filing the appeal. The delay is, accordingly, condoned in the interest of substantial justice and the appeal is admitted for adjudication on merits.

5. It is seen from the material available on records that the assessee had filed return of income declaring total income of Rs.4,90,000/-. During the course of assessment proceedings, substantial cash deposits were noticed in three bank accounts aggregating to Rs.3,33,50,500/- during the demonetization period. The Assessing Officer, provided multiple opportunities under section 142(1) of the Act to the assessee (between the period 24.09.2018 to 25.11.2019) to explain alongwith supporting documentary evidences, but the assessee did not cooperate with the Department and failed to offer any explanation about the nature and source of the cash deposits. Hence, the AO observing that the assessee had failed to explain the nature and source of the deposits despite various notices and opportunities, treated the same as unexplained money under section 69A of the Act and assessed the total income at Rs.3,38,40,500/- under section 143(3) r.w.s. 115BBE of the Act.

6. Being aggrieved by the assessment order, the assessee filed appeal before the Id. CIT(A).

7. During the appellate proceedings, before the learned CIT(A), several opportunities (on 26.12.2020, 19.08.2021, 02.12.2021, 25.08.2022 24.07.2023, 09.08.2023 and 11.12.2023) were granted to the assessee; however, no effective submissions or supporting documentary evidence were furnished by the assessee. The learned CIT(A), observed that since the appellant

has not filed any reply relating to cash deposits made in his bank account amounting to Rs. 3,33,50,500/- during the demonetization period, there is no material on record to warrant interference in the order of the AO. Thus, the addition made by the AO treating the cash deposit as unexplained money under section 69A of the Act r.w.s. 115BBE of the Act, is confirmed by Ld. CIT(A).

8. Being aggrieved by the appellate order, the assessee, therefore, filed appeal before us.

9. We have considered the material available on record and heard both the parties.

10. Before us, the principal grievance of the assessee is against the confirmation of the addition of Rs.3,33,50,500/- under section 69A of the Act. It is noticed that the assessee had specifically claimed that two of the bank accounts did not belong to him, whereas in respect of the SBI account the cash deposits were stated to be out of cash sales. The Assessing Officer, on verification of the KYC details of one of the RBL accounts, observed that the assessee was the proprietor of M/s Navkar Infomedia and, thereafter, treated the entire deposits as unexplained.

11. However, considering that the assessee had raised a specific dispute regarding ownership of certain bank accounts

and had also stated that the deposits in the SBI account represented cash sales, we are of the considered view that the issue requires proper verification of the relevant bank accounts, KYC records, books of account, Sales Register and other supporting evidences. Since the assessee did not effectively substantiate these claims before the lower authorities, in the interest of justice, we deem it appropriate to restore the issue to the file of the Assessing Officer for fresh adjudication. However, taking into account the negligence on the part of the assessee in not properly representing his case before the concerned lower authorities, the assessee can be burdened with reasonable costs of Rs. 10,000/- to be deposited in the Prime Minister's National Relief Fund. The assessee will deposit the aforesaid cost amount within 60 days from the receipt of copy of this order and will produce the proof of such deposit before the Ld. AO. Subject to the fulfilment of the aforesaid condition, the impugned order of the CIT(A) is set-aside and the matter is restored to the file of the AO. The Assessing Officer shall examine the assessee's claim regarding ownership of the bank accounts and the nature and source of the deposits and thereafter decide the issue afresh in accordance with law.

12. Accordingly, the impugned order is set aside to the above extent and the matter is restored to the file of the Assessing Officer for fresh adjudication. The assessee is directed to cooperate and furnish all relevant supporting documents and

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explanations. Needless to say, reasonable opportunity of being heard shall be granted to the assessee. The grounds relating to the addition are allowed for statistical purposes. The grounds relating to interest and penalty are consequential and shall be dealt with in accordance with law.

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

This Order pronounced in Open Court on	14/10/2026
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Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER

Ahmedabad; Dated 14/10/2026

Tanmay, Sr. PS

Sd/-
(GANGADHAR PANDA)
ACCOUNTANT MEMBER

TRUE COPY

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent.
3. संबंधितआयकरआयुक्त/ Concerned CIT
4. आयकरआयुक्त(अपील) / The CIT(A)-
5. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, अहमदाबाद/ DR, ITAT, Ahmedabad
6. गार्डफाईल / Guard file.

आदेशानुसार/ BY ORDER,

उप/सहायकपंजीकार (Dy./ Asstt.Registrar)
आयकरअपीलीयअधिकरण, अहमदाबाद/ ITAT, Ahmedabad