

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ एस.एम.सी, अहमदाबाद ।
IN THE INCOME TAX APPELLATE TRIBUNAL
" SMC" BENCH, AHMEDABAD

श्री संजय गर्ग, न्यायिक सदस्य एवं
अन्नपूर्णा गुप्ता, लेखा सदस्य के समक्ष।

Before Shri Sanjay Garg, Judicial Member And
Annapurna Gupta, Accountant Member

1. आयकर अपील सं./ITA No.1896/Ahd/2025
2. आयकर अपील सं./ITA No.1412/Ahd/2025
(निर्धारण वर्ष /Assessment Year : 2018-19)

Manojbhai Chhaganbhai Mangukiya 255, Dhola Godadji Marg, Dadva Radaina, Umarala Bhavnagar - 364 320	<u>बनाम/</u> <u>v/s.</u>	The ITO Ward-1(9) Bhavnagar - 364 001
स्थायी लेखा सं./PAN: ECGPM 5838 A		

(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)
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Assessee by :	Shri Mehul Shah, AR
Revenue by :	Shri Suresh Chand Meena, Sr.DR

सुनवाई की तारीख/Date of Hearing : 19/02/2026
घोषणा की तारीख /Date of Pronouncement: 01/04/2026

आदेश/ORDER

Per Sanjay Garg, Judicial Member:

The present two appeals have been preferred by the assessee against the separate orders of the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'CIT(A)'] dated 22/08/2025 (relating to quantum appeal) & 18/06/2025 (relating to penalty appeal) passed u/s.250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for the Assessment Years (AYs) 2018-19.

ITA No.1896/Ahd/2025

2. The assessee, in this appeal, is aggrieved by the action of the lower authorities in making/confirming the addition of Rs.13,18,064/- on account of unexplained cash deposits in the bank account of the assessee.

3. The Ld. Counsel for the assessee submitted that during the period of the transaction in question, the assessee was a student. He has further submitted that the account of the assessee was used by one Mr. Kashyap Maganbhai Vaghasiya (PAN: AVDPV 6623 L) for carrying out bitcoin transactions. He has further demonstrated that there was a deposit in the account of the assessee of an amount of Rs.12,09,464/-, which was used to purchase of Crypto Currency, earning a profit on such bitcoin transactions.. The said amount of Rs.12,09,464/- was repaid/returned by the assessee immediately on receipt. The Ld. Counsel for the assessee has demonstrated that the aforesaid facts from the bank statement of the assessee. He has further submitted that the assessee has earned only an amount of Rs.25,000/- as contribution out of the said transaction. The Ld. Counsel has submitted that the assessee at that time was a teenage student and he was not aware about the consequences of lending his bank account to some other person for making transactions. He submitted that the assessee had allowed to use his bank account only once and, thereafter, never carried out any such transaction.

3. Considering the aforesaid factual position on the file as well as bank statement of the assessee, we find that the explanation given by the assessee is plausible, therefore considering the overall facts and circumstances of the case, in our view, the addition made by the lower authorities on account of

unexplained cash deposit in the bank account of the assessee is not sustainable and the same is, accordingly, ordered to be deleted.

4. In the result, the appeal of the assessee in ITA No.1896/Ahd/2025 stands allowed.

ITA No.1412/Ahd/2025

5. This appeal of the assessee is relating to levy of penalty on account of non-furnishing of the replies to the notices issued by the Assessing Officer (AO).

6. The Ld. Counsel for the assessee has already explained that the assessee was just a student and was not aware about the consequences of non-appearance before the AO. He further submitted that non-appearance before the AO was not intentional, rather out of ignorance and fear of consequences.

7. Considering the fact that the assessee was just a student and had lent his bank account to another person for carrying out transactions and the assessee realizing his mistake, was not only apprehensive of penal action but also of the reprimand by his parents and, therefore, he could not present before the AO.

8. Taking the lenient view in the peculiar fact of this case, the impugned penalty is ordered to be deleted and the appeal of the assessee is allowed.

9. In the result, both the appeals of the assessee are allowed.

Order pronounced in the Open Court on 01/04/2026.

**Sd/-
(Annapurna Gupta)
Accountant Member**

**Sd/-
(Sanjay Garg)
Judicial Member**

अहमदाबाद/Ahmedabad, दिनांक/Dated 01/04/2026

टी. सी. नायर, व. नि. स. / T.C. NAIR, Sr. PS

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 , अहमदाबाद/DR, ITAT, Ahmedabad.
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

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