

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ "डी", अहमदाबाद ।
IN THE INCOME TAX APPELLATE TRIBUNAL
"D" 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

आयकर अपील सं./ITA No.2580/Ahd/2025
निर्धारण वर्ष /Assessment Year : 2017-18

Madhuras Bhuraji Purohit M. B. Traders C/119, Shri Ghantakaran Mahavir market B/s. New Cloth Market Sarangpur Ahmedabad - 380 002	बनाम/ v/s.	The ITO Ward-5(3)(4) Present Ward-5(3)(1) Vejalpur Ahmedabad - 380 015
स्थायी लेखा सं./PAN: ABVPP 9498 D		

(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)
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Assessee by :	Ms. Astha Maniar, AR
Revenue by :	Shri Rameshwar P. Meena, Sr.DR

सुनवाई की तारीख/Date of Hearing : 23/02/2026
घोषणा की तारीख /Date of Pronouncement: 01/04/2026

आदेश/ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order of the Learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'CIT(A)'] dated 06/11/2025 passed u/s.250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for the Assessment Year (AY) 2017-18.

2. The assessee, in this appeal, is aggrieved by the action of the Ld. CIT(A) in confirming the addition of Rs.25,07,480/- on account of unexplained cash

deposits in the bank account of the assessee prior to start of demonetization period. The case of the assessee is that the aforesaid cash was deposited out of the cash sales made by the assessee. The Ld. Counsel for the assessee has demonstrated from the record that the total sales of the assessee in the immediately preceding AY 2016-17 were Rs.2.02 crores, whereas, during the assessment year under consideration, i.e. AY 2017-18 the sales of the assessee have almost doubled to Rs.4.77crores. She has further demonstrated that the cash sales of the assessee during the immediately preceding AY 2016-17 were Rs.84.62 lakhs, whereas, the cash sales during the assessment year under consideration were Rs.1.41 crores. She has submitted that the assessee had cash available in his books of accounts on account of the aforesaid cash sales, which the assessee was required to deposit in the bank account on the announcement of demonetization scheme. Though the Assessing Officer (AO) has admitted the sales done through banking channel, however, has disallowed the sales made in cash.

3. We note that in the immediately preceding assessment year, the assessee had made cash sales of Rs.84.62 lakhs as against the total sale of 2.02 cores, which approximately comes to 40% of the total sales. During the year under consideration, the assessee had made total sales at Rs.4.77 cores and total cash sales made by the assessee during the year comes to 30% of the total sales, which ratio is quite lower than the earlier cash sales. The purchases have not been doubted by the AO. Under the circumstances, the impugned addition made by the AO merely on the basis of assumption and presumption by treating the cash sales as undisclosed income of the assessee is not tenable and the same is, accordingly, ordered to be deleted.

4. In the result, the appeal of the assessee stands 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