

**IN THE INCOME TAX APPELLATE TRIBUNAL
“D” BENCH, AHMEDABAD**

**BEFORE: SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER
AND
Ms. SUCHITRA KAMBLE, JUDICIAL MEMBER**

आयकर अपील सं./I.T.A. No. 868/Ahd/2023

(निर्धारण वर्ष / Assessment Year : 2017-18)

Vineetsingh Gulabsingh Rore Vraj Avenue Above US Pizza, Swastik Char Rasta, Navrangpura, Ahmedabad, Gujarat – 380009	बनाम/ Vs.	PCIT Ahmedabad-1
Öथायी लेखा सं./जीआइआर सं./PAN/GIR No. : ABEPR3476J		
(Appellant)	..	(Respondent)

अपीलाथक ओर से /Appellant by :	Shri Sunil Maloo, AR
निर्धारण ओर से /Respondent by :	Shri Prathvi Raj Meena, CIT.DR

Date of Hearing	07/10/2025
Date of Pronouncement	05/01/2026

(आदेश)/ORDER

PER ANNAPURNA GUPTA, AM:

The present appeal has been filed by the assessee against the order of the Principal Commissioner of Income Tax, PCIT, Ahmedabad-1 (hereinafter referred to as “PCIT”), dated 03.03.2022 passed under Section 263 of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) and relates to Assessment Year (A.Y.) 2017-18.

2. The appeal is noted by the Registry to be delayed for filing by 543 days. The assessee has filed an application seeking condonation of delay attributing the delay to have been caused on account of his Consultant not advising him to file appeal against the said order. That only when the consequential assessment order was passed by the AO u/s.143(3) of the Act making huge addition therein that the assessee changed his Consultant who in turn advised him to file appeal against the order passed u/s.263 of the Act. The affidavit filed by the assessee stating the above facts on oath reads as under:

"I, Vineetsingh Gulabsingh Rore, aged 47 years, Son of Gulabsingh Rore, residing at Vraj Avenue, Above US Pizza, Swastik Char Rasia, Navrangpura, Ahmedabad - 380009, Gujarat, India hereby solemnly swear and affirm the following statements before the Notary Public:

Initial Compliance: I was subjected to original assessment proceedings under Section 143 (3) of the Income Tax Act, 1961 ("the Act") for the Assessment Year 2017- 18. The proceedings were finalized vide order dated 22 nd December 2019 , I duly complied with statutory notices issued by the Assessing Officer (" AO") in a timely and complete manner.

Order under Section 263 : An order under Section 263 of the Act was passed against me by the Principal Commissioner of Income Tax, Ahmedabad- 1 (" PCIT") on 3rd March 2022. I complied with notices and participated in the proceedings as required.

Subsequent Order: Subsequent to the directions of the PCIT under Section 263, an order under Section 143 (3) read with Section 263 and Section 1448 of the Act was passed on 23rd September 2023, making an addition of Rs 5.80,00,000/- under Section 69 of the Act.

Reason for Delay: The reason for the delay of 543 days in filing the appeal against the order under Section 263 is due to a lack of proper guidance and advice from my then- authorized representative, CA Ashesh Shah. CA Ashesh Shah has submitted an affidavit stating that

his expertise primarily covers basic knowledge of income tax proceedings and that he did not possess the specialized knowledge for handling Income Tax Litigations relating to revision proceedings under Section 263 before the ITAT as it was not his primary area of practice

Unintentional Delay: I affirm that the delay is not deliberate but accidental, caused by an

oversight on the part of my previous authorized representative, CA Ashesh Shah. My track record of compliance with earlier proceedings substantiates my claim of the delay being unintentional and bona fide.

Consultation and Current Appeal: After the addition of Rs 5,80,00,000/- was made in the

Assessment Order dated 23/ 09/ 2023, pursuant to the directions of PCIT under Section 263, I actively sought a professional specialized in CIT Appeals matters. I then came into contact with CA Sunil Maloo from Sunil Maloo & Co., Chartered Accountants, who specializes in Direct Tax Litigation matters. On his advice. I am filing the said appeal today under Section 253 (5) of the Act. praying for the condonation of the delay.

Regret for Delay: I express deep regret for the delay in filing this appeal before the Income Tax Appellate Tribunal (" ITAT") and reiterate that the delay was unintentional and occurred in good faith.

Plea for Justice: I would like to humbly bring to the esteemed Tribunal's attention that the order dated 03/ 03 / 2022, passed under Section 263 of the Act by the PCIT, contains various legal discrepancies, factual errors, and is premised on a mere theory of probability rather than substantive evidence. As a law-abiding citizen of this country. I consider it of utmost importance that the appeal against this order be admitted for a fair and just adjudication. I earnestly pray that the Tribunal does not disable the admission of my appeal solely on the grounds of the unintentional delay, which I have striven to duly justify in this affidavit. Justice is the cornerstone of any civilized society, and I beseech that it may not be denied to me specially when the delay has been caused by circumstances beyond my control and is sufficiently explained herein.

I confirm that the above statements are accurate and true to the best of my knowledge, belief, and information, and I have not concealed any material facts.

Sworn and affirmed at Ahmedabad on this 27th day of October, 2023."

3. The assessee has corroborated his explanation of being wrongly advised by his earlier Consultant by filing an affidavit of the said Consultant admitting to having not advised his client, the assessee before us, to file appeal against the order passed u/s.263 of the Act, attributing it to his limited knowledge in the aspect of the litigation relating to income tax matters. The affidavit of the Consultant of the assessee Shri Ashesh Shah reads as under:

"I, Ashesh Shah, aged 36 years, residing at F 802 Titanium City Center, Anand nagar road, satellite, Ahmedabad 380015, Chartered Accountant by profession, registered under the Institute of Chartered Accountants of India, License No. 149185, do hereby solemnly swear and affirm the following statements before the Notary Public:

- 1. Professional Background: I am a Chartered Accountant with a focus primarily on general income tax compliance. I do not specialize in income tax litigations before ITAT or other appellate forums. I have basic knowledge of income tax proceedings but lack expertise in handling revision proceedings under Section 263 of the Income Tax Act, 1961 ("the Act").*
- 2. Engagement with Mr. Vineetsingh Gulabsingh Rore: I was engaged as the authorized representative for Mr. Vineetsingh Gulabsingh Rore, hereafter referred to as the "Assessee", for his assessment proceedings under Section 143 (3) of the Act for the Assessment Year 2017-18.*
- 3. Order under Section 263: An order under Section 263 of the Act was issued against the Assessee on 3rd March 2022 . I acknowledge that due to my lack of expertise in income tax*

litigations specifically related to Section 263, the Assessee was not adequately advised to file an appeal against this order within the prescribed period.

4. *Limitation of Knowledge: I affirm that my primary focus has been on general income tax compliance and I was not engaged in full-time practice of income tax litigations before ITAT or other appellate forums. Hence, my guidance to the Assessee was limited to my area of expertise.*
5. *Change in Representation: I understand that the Assessee has now engaged the services of Mr. Sunil Maloo of Sunil Maloo & Co., Chartered Accountants, for filing an appeal before the ITAT against the order under Section 263 of the Act*
6. *Unintentional Delay: I earnestly submit that any delay in filing the appeal against the order under Section 263 by the Assessee was unintentional and was mainly due to the limitations of my professional expertise in the specific area of income tax litigations involving revision proceedings under Section 263.*
7. *Prayer for Condonation: I humbly pray to the esteemed Tribunal to consider the unintentional nature of the delay caused due to the limitations in my professional expertise and to thus condone the delay in filing the appeal by the Assessee for ensuring a just and equitable adjudication.*

I confirm that the above statements are accurate and true to the best of my knowledge, belief, and information, and I have not concealed any material facts.

Sworn and affirmed at Ahmedabad on this 27 th day of October, 2023.”

4. Ld. Counsel for the assessee further stated that in identical facts and circumstances the ITAT in various decisions had condoned huge delays and in this regard, he referred to the following decisions, copies of which, are placed before us:

- “1. *ITA, Ahmedabad in case of Ravi Dipakbhal Shah vis Pr. CIT -6 in ITA No.160/Ad/2020*

2. *ITAT Mumbai in case of Ashok Kumar Shivpuri Vs CIT 22 in ITA No. 631/Mum/25/14*
3. *ITAT Hyderabad in case of Mr. Garadi Rambabu Khammam Vs ITO, Ward-2 Khammam in ITA. No. 1796 & 1797/Hyd/ 2013*
4. *ITAT Pune in case of Mr. Kewal Kumar Jain Vs ACIT, Circle 4, Pune in ITA No.1385/PUN/2016*
5. *ITAT-Jaipur in case of Mahaveer Prasad Jain Vs PCIT 2 Jaipur in ITA. No. 02/3P/2023*
6. *ITAT-Chandigarh in case of Sh. Yuvraj Mahajan Vs the Income Tax Officer, Ward 3(3) in ITA No.958/Chd/2014*
7. *ITAT-Delhi in case of Daya Ram Mittal Vs JCIT Range-25 New Delhi in I.T.A. No. 3054/DEL/2012*
8. *ITAT-Delhi in case of Ramesh Mittal Panchkula Vs Commissioner of Income Tax Central, Gurgaon in ITA Nos. 1009 to 1011/Ind/2014.”*

5. He pointed out that the facts in the case of Ravi Dipakbhai Shah (supra) were identical to that in the present case wherein the assessee had delayed in filing appeal to the ITAT against the order passed u/s.263 of the Act, attributing the cause for the delay being wrong advice given by the Consultant, considering which, the ITAT had held reasonable cause to be attributed by the assessee for the delay and accordingly, condoned the delay in filing of appeal.

6. Ld. DR, however, vehemently objected to the condonation of delay and referred to the decision of Hon'ble Apex Court in the case of Union of India v. Jahangir Byramji Jeejeebhoy, Civil Appeal No. 1494 of 2019, dated 03.04.2024 and the decision of the

Hon'ble High Court of Punjab & Haryana in the case of Gurpal Singh Brar vs. ITO, Mohali in ITA No.123 of 2017 (O&M) dated 09.02.2017. Copies of both orders are placed before us. Referring to the decisions, he contended that Hon'ble Apex Court has stated that the length of delay is a relevant matter, which must be taken into consideration while considering whether the delay should be condoned or not and that it makes no difference whether the litigant is a private party or a State or Union of India when it comes to condoning the gross delay in filing appeals. He pointed out that the Hon'ble Apex Court held that if the litigant chooses to approach the court long after the lapse of the time prescribed under the relevant provisions of the law, then he cannot turn around and say that no prejudice would be caused to either side by the delay being condoned. He pointed out that the Hon'ble Apex Court reiterated the view that the rules of limitation are based on the principles of sound public policy and principles of equity and 'Sword of Damocles' should not be kept hanging over the head of the respondent for indefinite period of time to be determined at the whims and fancies of the appellants. He further contended that in the present case the AO already passed the consequential order in view of the direction of the Ld. PCIT in his order passed u/s.263 of the Act, which is impugned before us and the assessee had preferred appeal against the said order passed by the AO. He contended that by now filing appeal against the order passed by the Ld. PCIT, the assessee was availing alternate remedy available

to it pursuing both the assessment order passed as a consequence of the order passed u/s.263 of the Act and also the order passed u/s.263 of the Act in appeal. He contended that the assessee should be allowed to pursue only one remedy and not both remedies available to it. Ld. Counsel for the assessee, on the other hand, countered by stating that the guiding principles laid down by the Courts for dealing with delays still remains the same and even in the decisions cited by the Ld. DR the Courts have laid emphasis on the existence of a reasonable and sufficient cause for the delay so as to condone the same. He, therefore, pleaded that the delay in the present case of 543 days be condoned.

7. We have heard the contention of both the parties and we find that it is a fit case for condoning the delay in the filing of the present appeal before us of 543 days. The explanation of the assessee, is that it was not advised by his Consultant to file appeal against the order passed u/s.263 of the Act and it was only when the consequential order was passed by the AO, making huge addition of its income that the assessee changed his Consultant who, in turn, advised to him to file appeal against the order passed u/s.263 of the Act also. The assessee has stated the above facts on oath before us. The original Consultant of the assessee has corroborated the explanation of the assessee by admitting to having not advised the assessee to file appeal against the order passed u/s.263 of the Act, stating the same on oath in an affidavit

filed before us. Ld. DR has not pointed out any infirmity or falsity in the explanation of the assessee. We have noted that in identical facts and circumstances the ITAT in the case of Ravi Dipakbhai Shah (supra) had held the explanation of the assessee for the delay as bonafide as reasonable and not exhibiting any negligence or laxity in pursuing the appeal. The ITAT noted that it is highly plausible for a Consultant to have advised against filing appeal against the revisionary order passed u/s.263 of the Act, since, it has no financial implication as generally issues are restored back to the AO for re-consideration. The ITAT noted that Courts in various decisions have held wrong legal advice given as constituting good reason or sufficient cause for condoning the delay in filing appeal. The relevant finding of the ITAT in this regard are contained at para 13 & 14 of its order as under:

“13. As is evident from perusal of the above, the assessee has pleaded ill-advice on the part of his first legal consultant, as the cause for the delay in filing appeal; that on his advise he had not filed appeal against the impugned order of the ld.Pr.CIT passed under section 263 of the Act, and it was only when consequent assessment was framed under section 143(3) of the Act resulting in income being assessed at Rs.1.28 crores, which was multiple times the income returned by the assessee of Rs.17.41 lakhs, raising a whopping demand of Rs.66.83 lakhs, that the assessee rushed to another counsel who, when became aware that the assessee had not filed appeal against the order under section 263 advised him to do so, and it was on his advice that the appeal was filed resulting in the delay of 284 days in the filing of the appeal.

In the affidavit, the assessee has reasonably demonstrated length of period of delays or 284 days pointing out of the fact that on the date of receipt of order under challenge before us of the ld.Pr.CIT under section 263 of the Act on being 6.3.2019, the date by which the appeal was filed before the ITAT being on or before 5.5.2019; that consequential assessment order under section 143(3) was passed on 30.12.2019 after which he approached the second counsel who advised him to file

appeal against the order under section 263 and in regard to which he filed an appeal on 12.2.2020 resulting delay of 284 days.

14. Above facts, relating to the chronology of events have not been controverted by the ld.DR before us. Therefore, it can be safely read from the same that the assessee promptly pursued the legal action which was advised by the second legal counsel on receipt of consequential order under section 143(3)/263 and filed appeal against the order passed by the ld.Pr.CIT under section 263. What has to be seen now is whether, this explanation of the assessee for the delay was bona fide, reasonable and did not exhibit any negligence or laxity in pursuing its appeal in appellate remedy. The facts as stated by the ld.counsel for the assessee that he was advised by the earlier counsel not to file appeal against the order passed u/s 263 of the Act has not been found to be false by the Revenue. Also it is highly plausible also for a legal consultant to have advised against filing appeal against the revisionary order under section 263 of the Act. There can be two reasons for it; (i) that the legal consultant found no financial implication in the revisionary order, since all the issues had been restored back to the AO for reconsideration and he would have presumed that no appeal lie against said order and the appellate remedy lie only against the consequential assessment order passed or in his wisdom, he thought that it would be best if the appeal was filed only against an order which had direct financial implications, since there was a possibility that the assessee would have remained unaffected in consequential assessment proceedings as far as his assessed income was concerned, therefore, the consultant in his wisdom thought it best wait for consequential order and file appeal only against the same. Therefore, this explanation of the assessee that he was advised not to file appeal against the order passed under section 263 to us, appears to be a plausible explanation, and there is no doubt that in the consequent assessment, the assessee was assessed multiple times to its returned income, which forced him into action and he came to the consult another legal adviser on whose advise the present appeal was filed before us. The delay in filing of appeal therefore in these circumstances cannot be attributed to any laxity or negligence on the part of the assessee. In fact the assessee, has all along acted on the advice of legal consultant, the first one advising him not to file appeal and the second one advising him to do so.

It is also very pertinent to note here that various courts have held that wrong legal advice given or mistake made by the assessee's counsel may constitute a good reason or sufficient cause for condoning the delay in filing appeal. In other words, a cause should not be dismissed due to ill-advice given by the counsel. The following case laws support this proposition:

- i) *Concord Ins Vs. Nirmaladevi*, 118 ITR 507 (SC)
- ii) *IAC Vs. Kedarnath*, 133 ITR 746
- iii) *Arun Vs. Twigg*, 153 ITR 131

iv) Avtar Vs. CIT, 133 ITR 338

Also there is no benefit accruing to the assessee by not filing appeal in the first instance itself but on the contrary the assessee has been inflicted with serious consequences of huge demand raised on him on account of the consequential assessment framed which there was a possibility of avoiding if appeal were filed against the order passed u/s 263 of the Act.

Therefore noting that there is no negligence or laxity attributable to the assessee for the delay in filing appeal, and to subserve the ends of justice we find that it is a fit case for condoning the delay of 283 days in the present appeal. The impugned delay in filing the present appeal is accordingly condoned.”

8. Drawing from the decision of ITAT as above, we are also of the view that the assessee had bonafide explanation to offer for the delay, giving good and sufficient cause for the same as being the wrong advice by his Consultant of not filing appeal against the order passed u/s.263 of the Act. The delay, in our view, needs to be condoned.

9. The argument of the Ld. DR that the assessee should not be allowed to pursue alternate remedy by filing appeal both against the order passed u/s.263 of the Act and also against the consequential order passed by the AO u/s.143(3) of the Act in accordance with the directions of the PCIT u/s.263 of the Act, we find is incorrect. The two remedies as pointed out by the Ld. DR are not alternate remedies. The scope and the consequence of the appeal against the order passed u/s.263 of the Act is much wider than that against the order passed by the AO u/s.143(3) r.w.s. 263 of the Act. The assessee in its appeal against order passed u/s 263 of the Act can plead setting aside of the entire order passed by the

Ld. PCIT u/s.263 of the Act, resulting in no locus standi remaining with the AO to pass a consequential order. While in the appeal against the consequential order passed u/s.143(3) of the Act the only scope is limited to challenging the additions made to the income on merits. The two are, therefore, not alternate remedies and this argument of the Ld. DR merits no consideration. Even otherwise, if law provides for alternate remedy the assessee is free to pursue the same. Reliance placed by the Ld. DR on the decision of Hon'ble Apex Court in the case of Union of India v. Jahangir Byramji Jeejeebhoy (supra) and the decision of the Hon'ble High Court of Punjab & Haryana in the case of Gurpal Singh Brar (supra) also is of no assistance, since, they both reiterate the guiding principles relating to condonation of delay of there being sufficient cause for the delay for taking the same. The said decisions do not lay down any blanket proposition that huge delay's need not be condoned. In the light of the same, we condone the delay in the filing of present of 543 days finding the assessee to have adduced sufficient cause for the delay.

10. Taking up the appeal for adjudication, the order of the Ld. PCIT reveals that he found assessment order passed in the case of the assessee for the impugned year u/s.143(3) of the Act to be erroneous causing prejudice to the Revenue on account of AO having accepted assessee's explanation of the cash deposited in its bank account without verifying the same from the facts on record.

At para 2.1 of his order, the Ld. PCIT notes that the case records of assessment revealed that the assessee had deposited huge cash of Rs.78,56,500/- in his two bank accounts maintained with the Bank of Baroda and RBL Bank during demonetization period. During assessment proceedings, the assessee had contended that cash so deposited was out of his cash withdrawals made from the banks and this explanation was accepted by the AO despite the case records in the form of copies of bank account showing no corresponding withdrawals matching amount of cash so deposited. Accordingly, he issued notice to the assessee u/s.263 of the act for revising the order of the AO. The assessee replied stating that during assessment proceedings the issue has been duly examined. Ld. PCIT, however, did not find the explanation of the assessee satisfactory noting that the withdrawals from the bank account had resulted in negative balance in the bank account and the deposits therein being in the form of loan, he contended that such withdrawals, therefore, must have been used for some purpose in the business of the assessee and not kept idle for re-deposit in the bank account during demonetization period. He noted that the AO had not called for the complete cash book nor the same had been furnished by the assessee during assessment proceedings or before him so as to verify whether the cash remained or was utilized for incurring expenses which were not recorded in the books of the assessee. He accordingly directed the AO to re-examine the issue

giving specific direction in this regard at para 3.2 of his order, which is as under:

“3.2 In view of the above facts as discussed, the assessment order passed u/s 143 (3) of the Act dated 22. 12. 2019 is held to be erroneous and also prejudicial to the interest of revenue and set- aside to this extent to make de- novo inquiries and frame the assessment order afresh after carrying out specific further inquiries as mentioned below: -

a) Issue summons u/ s 131 of the Act to the assessee and record his statement on oath with regard to holding of huge cash after withdrawals from the banks as disused above when he has been enjoying the cash credit and overdraft facilities.

b) The A.O. will call for the personal set of accounts apart from the set of accounts of the business concern Mis. Rashmi Marketing Inc. and examine & work out the cash expenses and cash payments made to various persons on the basis of cash book to be examined in depth.

c) The A. O. will call for the list of employees/workers employed by him and examine the identity and relationship of Shri Asheshbhai who has been given self-drawn cheques for withdrawing the cash. If necessary, the A.O. may also issue summon and inquire as to why the cash was withdrawn and how the same has been utilized for business or personal purposes.

d) The A.O. will also examine the withdrawals for personal and domestic use and also identify as to whether any social events such as marriage, engagement ceremony. tours and travels, etc. requiring huge cash so withdrawn to be spent were celebrated by the assessee or not and identify such expenses.

e) The A. O. will examine the comparative cash withdrawn from the banks and cash deposited in the bank, cash received in the trading activity and cash expenses/ payments towards various expenses for the purpose of business for the previous years ending on 31 .03 .2016 and 31.03 .2017 together with the due analysis of accounts for both the previous years.

f) The A.O. will also examine the sources of investment in the house property purchased from Shri Narendra K. Patel and possibility of paying the cash as "on money" out of the cash withdrawn from the

banks during pre-demonetization period. For this purpose, the value of the property so purchased may be referred to the Departmental Valuation Cell so as to correlate the cash payment beyond the recorded value as per the sale deed made for the purchase of this property.

g) After examining the above issues in depth, the A. O. shall make an assessment de-novo by passing a speaking order and giving his specific findings with regard to the sources of cash deposited in the bank during demonetization period and in case of non- satisfactory explanation with regard to such cash deposited, he will make an addition u/s 68 of the Act and charge the tax as per the special provisions u/s 115BBE of the Act.”

11. The assessee has raised several grounds of appeal before us but his primary argument before us against the order so passed u/s.263 of the act was that;

- i. the issue had been examined during assessment proceedings and the AO had taken plausible view making no addition; &
- ii. the PCIT had directed the AO to examine the source of investment in house property purchased by the assessee during the year, which issue was neither raised during revisionary proceedings and therefore, also the assessee was not confronted with the same in the revisionary proceedings.

12. With regard to his argument that the issue was examined during assessment proceedings, he drew our contention to documents filed during assessment proceedings revealing documents/letter filed at paper book page no.5 to 17 being reply filed by the assessee to the AO dated 06.11.2019 and page no.45 to

129 being copies of all bank statements, bank accounts of the assessee filed along with the reply dated 05.12.2019 to the AO.

13. We have gone through the said documents and we find that during assessment proceedings the AO did ask the assessee to furnish the details of cash deposited in its bank account and explain the source thereof. The assessee in response filed details of all its bank accounts mentioning the amount of cash deposited therein during the year. It is noted from the same that primarily cash was deposited by the assessee in its Bank of Baroda account and its RBL Bank account amounting to Rs.75.45 Lakhs and Rs.84.46 Lakhs respectively. The source of the same was explained as out of business income and from withdrawal, which was re-deposited due to demonetization. The assessee did furnish copy of his bank accounts also, but, as noted by the Ld. PCIT, the assessee did not furnish its cash book to the AO to justify the explanation furnished during assessment proceedings. The Ld. Counsel for the assessee was asked at Bar whether the assessee furnished its cash book during assessment proceedings to which he was unable to reply in the affirmative. In the light of the same, it is evident that during the assessment proceedings, the assessee had only furnished the details of his bank accounts and had mentioned the source of cash deposit without corroborating the same with its cash book. The furnishing of bank account alone would not suffice to corroborate the explanation of the assessee that

withdrawals made from the bank account were re-deposited in its bank account. Since, as rightly pointed out by the Ld. PCIT, the withdrawals may have been subsequently utilized, therefore, we do not find any merit in the contention of the Ld. Counsel for the assessee that the issue was examined during assessment proceedings. We hold that the Ld. PCIT was right in noting that the AO had not made adequate enquiries for verifying the explanation of the assessee of the deposits being made out of its withdrawals, despite the facts revealing that the withdrawals from bank accounts were made from loans, the AO made no enquiry about the utilization of these amounts and simply accepted the assessee's explanation of re-depositing the withdrawals which is highly improbable. Therefore, this argument of the Ld. Counsel for the assessee is rejected.

14. The other contention of the Ld. Counsel for the assessee that the Ld. PCIT had given direction for examining the source of investment in house property, which was not even confronted to the assessee, we find no merit in the same also. We have gone through the findings of the Ld. PCIT at para 3.2 of his order which is reproduced above and we find that the Ld. Counsel for the assessee has misunderstood the direction of the Ld. PCIT at Sub-para (f) of the said para directing the AO to verify the source of investment by the assessee in a property. The purport of the same was to direct the AO to verify whether the withdrawals made by

the assessee were utilized in any way and in any manner including investment by way of on-money in an immovable property purchased by the assessee. This direction was given in the light of the explanation of the assessee that its cash withdrawals were re-deposited in the bank account. The Ld. PCIT had directed the AO to examine the utilization of its withdrawals elsewhere including that in an immovable property purchased by the assessee. That was the only purpose for the direction given by the Ld. PCIT and he had in no way directed the AO to verify the source of investment in an immovable property by the assessee. Therefore, this plea / argument of the Ld. Counsel for the assessee is also found to be without any merits and is rejected. Since, all arguments of the Ld. Counsel for the assessee challenging the order passed by the Ld. PCIT u/s.263 of the Act stand rejected and dismissed by us, the order passed by the Ld. PCIT is upheld.

15. In the result, appeal filed by the assessee is dismissed.

This Order pronounced on 05/01/2026

Sd/-

(SUCHITRA KAMBLE)

JUDICIAL MEMBER

Ahmedabad; Dated 05/01/2026

S. K. SINHA

True Copy

आदेश का प्रतिलिपि अर्पित/Copy of the Order forwarded to :

1. अपीलार्थी ~~द्वारा~~ The Appellant
2. ~~प्रति~~ ~~द्वारा~~ The Respondent.
3. संबंधित आयकर आयुN / Concerned CIT
4. आयकर आयुN(अपील) / The CIT(A)-

Sd/-

(ANNAPURNA GUPTA)

ACCOUNTANT MEMBER

5. स्वभागीय ढितिनध, आयकर अपीलीय अधकरण, अहमदाबाद / DR, ITAT, Ahmedabad
6. गाडु फाईल / Guard file.

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधकरण, अहमदाबाद / **ITAT, Ahmedabad**