Chandra Khilwani vs. Income Tax Officer, Ward-3(1)(4), Vadodara

Reassessment based on third-party Excel sheet – Sections 147, 148A(b), 148A(d), 144B of the Income Tax Act, 1961.

Date of Order: February 20, 2026
Case Law No: GIB-ITAT-2025-09
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Facts:
The assessee, a retired school teacher, had not filed a return for AY 2019-20 as her income was below the taxable limit. During a survey under Section 133A conducted in the premises of a builder group, an Excel sheet allegedly showing cash payments for purchase of shops contained the assessee's name and PAN. Based on this information, the Assessing Officer issued notice under Section 148A(b) alleging cash payment and reopened the assessment under Section 147, making an addition of ₹13,00,000.

Court Decision:
The Tribunal held that the Assessing Officer relied solely on an Excel sheet found during survey without establishing any correlation between the entries in the sheet and the assessee. The sheet related to a different project and period, whereas the assessee purchased a shop in 2021 and made payments through cheque. The developer also confirmed through a notarized affidavit that no cash payment was received from the assessee.
The Tribunal observed that an unsigned Excel sheet found from a third party without corroborative evidence cannot be treated as proof of a cash transaction. As the Assessing Officer failed to substantiate the alleged cash payment or correlate the seized document with the assessee, the addition of ₹13,00,000 was deleted and the appeal of the assessee was allowed.

Cases Referred by Court:
- PCIT (Central) vs. Kaushik Nanubhai Majithia, Tax Appeal No. 20 of 2024, Gujarat High Court (06.03.2024).

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