

**IN THE INCOME TAX APPELLATE TRIBUNAL  
ALLAHABAD BENCH, ALLAHABAD**

**BEFORE SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER  
AND  
SHRI SUBHASH MALGURIA, JUDICIAL MEMBER**

I.T.A. No.69/Alld/2025  
Assessment year:2019-20

M/s Deepak Auto Sales, Gandhinagar, Kunda, Pratapgarh. PAN:AAFCD7825G (Appellant)	Vs.	Income Tax Officer, Pratapgarh.  (Respondent)
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Appellant by	Shri Praveen Godbole, C.A.
Respondent by	Shri A. K. Singh, Sr. D.R.

**ORDER**

**PER SUBHASH MALGURIA:J.M.**

This appeal vide I.T.A. No.69/Alld/2025 has been filed by the assessee for assessment year 2019-20 against impugned appellate order dated 29/03/2025 (DIN & Order No.ITBA/NFAC/S/250/2024-25/1075219498(1) of Commissioner of Income Tax (Appeals) ["CIT(A)" for short].

2. The facts of the case, in brief, are that in this case the assessee had not filed its return of income for the year under consideration. Accordingly,

case was selected for scrutiny. The Assessing Officer issued notice u/s 148 to the assessee. Further notice u/s 142(1) along with questionnaire was also issued. The Assessing Officer completed the assessment and passed assessment order u/s 147 read with section 144 of the Act, determining total income of the assessee at Rs.2,70,75,760/- by making addition of Rs.2,70,75,740/- on account of unexplained money u/s 69A of the Act and Rs.19.25 on account of TDS. Being aggrieved, the assessee carried the matter in appeal before the learned CIT(A). The learned CIT(A), vide impugned appellate order dated 29/03/20225 has dismissed the appeal of the assessee. Being aggrieved further, the assessee is in appeal before the Income Tax Appellate Tribunal.

3. We have heard the rival parties and have gone through the material placed on record. The learned Counsel for the assessee relied on submissions made in the form of short facts, which are reproduced as under:

*"That the above noted appeal is directed against the order of Id. CIT(A), NFAC dated 29.03.2025.*

*That the assessee is an individual and is a proprietor of firm M/s Deepak Auto Sales which deals in purchase and sale of two wheeler and is working as sub-dealer of two wheeler agency namely Honda motorcycle at a remote place of Kunda, Pratapgarh which is a small township and main dealer is Indra Auto of Pratapgarh and for doing such business regular books of account are maintained which are audited. The modus operandi of business is that in such line of business sales are mostly in cash and purchases are through banking channel. Since the business is at remote area therefore customers mostly makes payment in cash. Further the entire purchases are from main Dealer to whom payments made through RTGS/NEFT. The assessee is assessed to tax since 2014 and filing return regularly along with financial statement. For the year under consideration proceeding u/s 147 of the Act was initiated by issue of notice 148 of the Act dated 20.03.2023 on the allegation that the assessee has*

*deposited cash in current account with PNB A/C No 6743002100000915 to the tune of Rs.2,34,98,000/-which remains unexplained. The said information as gathered by the department is correct in so far as the deposit in bank account with PNB account No. 6743002100000915 was the disclosed account in the financial statement filed much before the start of reassessment proceeding. The said amount represent the sale proceed of his business. The whole confusion arose because of the fact that inadvertently and by oversight another PAN was allotted to M/s Deepak Auto Sales PAN No. AAFCD7825G which was allotted in the status of company which got allotted on the direction of the bank and the said PAN No.AAPCD7825G was wrongly allotted when the said firm is the proprietor of Satish Chandra Kesarwani in whose name return is being filed regularly. The said PAN AAFCD7825G got linked to the Bank Account with PNB and since no return exist on said PAN therefore proceedings was initiated u/s 148 of the Act. The said bank account was considered as undisclosed when the fact is that the said bank account is disclosed bank account and duly reflected in the balance-sheet of the firm.*

*That it is not doubt of fact that the assessee namely Deepak Auto Sales is the proprietorship concern of Satish Chandra Kesarwani whose PAN number is BGBPK2894L and filing return regularly on said PAN and the firm M/s Deepak Auto Sales is the proprietorship firm and thus return is being filed in the name of Satish Chandra Kesarwani as proprietor of the said firm. In this way the very basis of reopening of assessment is totally incorrect since there was no independent application of mind nor any proper satisfaction was recorded and simply by oversight since PAN number got allotted in the name of M/s Deepak Auto Sales as PAN No. AAFCD7825G in the status of company hence it is presumed that since on said PAN return was not filed and moreover said PAN was linked to the Bank account of PNB by mistake of bank officials hence disclosed bank account was considered as undisclosed due to fact that PAN No. AAFCD7825G wrongly linked with the said bank account. In earlier year and in subsequent years the correct PAN No. BGBPK2894L was linked with the said bank account except for the year under consideration and the above fact duly admitted by the bank official confirming that PAN No. AAFCD7825G was wrongly attached to PNB account and it was later on rectified/corrected.*

*That it is no doubt a fact that the assessee firm is maintaining current A/c No. 6743002100000915 in the name of M/s Deepak Auto*

*Sales, proprietor Satish Chandra Kesarwani PAN No. BGBPK2894L and the proprietor Sri. Satish Chandra Kesarwani is regularly operating this bank account. The said deposits in cash as well as credit to the tune of Rs.2,70,75,740/- were the sale proceeds of assessee's business and likewise there are debit entries also which was towards payment made to company/main dealer for purchase of products/vehicles. In this way the said bank account is a normal trading account and was disclosed to the department from earlier years and it is not a new account for the said year.*

*That the assessing officer misunderstood the facts and made the addition on account of entire deposits as unexplained money u/s 69 of the Act when the said bank account already disclosed in the financial statement and the sales also disclosed in the profit and loss account as well as in the GST department. Further the assessing officer failed to consider the bank account as a whole and only added credit entries in the said bank account which is not correct when it is settled law that document to be considered as a whole and not piecemeal and moreover sales can never be terms as income and at the most net rate should be considered which is already shown /disclosed by the assessee. In this regard affidavit of the assessee is enclosed.*

*It is therefore prayed that in the light of submissions made above the arbitrary additions as made is liable to be deleted or if not satisfied the matter may be restored to the file of the Assessing Officer for verification of the bank account and transaction thereon is all fairness and justice."*

4. Learned CIT (D.R.) on the other hand supported the assessment order and the impugned appellate order dated 29/03/2025 passed by learned CIT(A).

5. We have heard the rival parties and have gone through the material placed on record. During the course of appellate proceedings before the Income Tax Appellate Tribunal, learned Counsel for the assessee submitted the issue in dispute may be remanded back to the file of the Assessing Officer with the direction to pass de novo assessment order keeping in view

the facts as reproduced in foregoing paragraph No.3 of this order. Learned CIT (D.R.) expressed no objection. Having regard to the foregoing, we set aside the impugned appellate order of the learned CIT(A) and restored the matter back to the file of the Assessing Officer with the direction to pass de novo order in accordance with law, considering the submissions as reproduced in foregoing paragraph No. 3 above and after providing reasonable opportunity of being heard to the assessee.

6. In the result, the appeal of the assessee stands allowed for statistical purposes.

(Order pronounced in the open court on 24/07/2025)

Sd/.  
**(ANADEE NATH MISSHRA)**  
**Accountant Member**

Sd/.  
**(SUBHASH MALGURIA)**  
**Judicial Member**

Dated:24/07/2025  
\*Singh

**Copy of the order forwarded to :**

1. The Appellant
2. The Respondent.
3. Concerned CIT
4. D.R., I.T.A.T., Allahabad