

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR.**

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER
AND
SH. UDAYAN DASGUPTA, JUDICIAL MEMBER
(Hybrid Hearing)**

**I.T.A. No. 591/Asr/2024
Assessment Year: 2017-18**

Sh. Sukhbir Singh Bedi, Ward No. 4, M/s Bedi Photostat, District Court Compound, Gurdaspur. [PAN:-AFFPB6127H] (Appellant)	Vs.	ITO, Ward, Gurdaspur. (Respondent)
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Appellant by	Sh. P. N. Arora, Adv.
Respondent by	Sh. Charan Dass, Sr. DR

Date of Hearing	09.07.2025
Date of Pronouncement	28.07.2025

ORDER

Per: Udayan Dasgupta, J.M.:

This appeal is filed by assessee against order of Ld. CIT (A), NFAC, Delhi, passed u/s 250 of the Act 1961, dated 19.09.2024 which has emanated from the order of the AO, dated 23/12/2019, passed u/s 143(3) of the Act.

2. The grounds of appeal in Form No. 36 are as under:

“1. That the assessment order passed by the Assessing Officer u/s 143(3) as well as the order of the Learned CIT(A), National

Faceless Appeal Centre, Delhi thereby confirming the same are both against the facts of this case and are untenable under the law.

2. *That no reasonable opportunity of being heard was allowed by the AO before making the addition. As such the assessment order as well as the order of the worthy CH (A) are bad in the eyes of law and the same are liable to be cancelled.*

3. *That the AO did not appreciate that there was no reason and occasion for making the addition of Rs.35,00,000/-. The AO was not justified in treating the same as unexplained money and thereby invoking the provisions of section 115BBE. The authorities below did not appreciate that no proper notice was served on the assessee. As such all the proceedings are bad in the eyes of law and the same are liable to be cancelled.*

4. *That the authorities below did not appreciate that the Circular F.No. 225/363/2017 ITA.II of 2023 dated 15/11/2017 was not complied with. As such, the whole proceedings are bad in the eyes of law. The AO was not justified in not appreciating that it was a case of limited scrutiny and the provisions of limited scrutiny were ignored and the whole assessment was converted into unlimited scrutiny which is bad in the eyes of law.*

5. *That the reply which was duly submitted on 29/11/2022 has not been taken into consideration. As such the order passed by the CIT(A) is bad in the eyes of law and the same deserves to be cancelled.*

6. *That in this case the return was filed by applying the provisions of section 44AD on a total receipts of Rs.11,51,315/- at 69.41%. The return was filed therein declaring an income of Rs. 10,33,946/- which includes income u/s 44AD. As such there was no reason and occasion for making the addition and the addition has been made purely on the basis of conjectures, surmises and suppositions. As such the returned income should have been accepted and the addition made may be deleted. Alternatively, the addition made is very high & excessive.*

7. *That any other ground of appeal which may be argued at the time of hearing of the appeal.”*

3. The brief facts emerging from record are that the assessee is engaged in the business of Photostat, retail sale of government forms, involved in the activity of preparation and printing of documents, acting as driving licence agents, etc., under the trade name of *M/s Bedi Documents Centre and engaged in various other allied activities.*

3.1 During demonetisation period cash amounting to *Rs.35 lakhs* has been deposited by the assessee in his bank with *Punjab Gramin Bank A/c No. xxxxxx316165* and in *account no. xxxxx07562*. The said deposit in bank was subsequently transferred to fixed deposit receipts in his own name amounting to *Rs.33 lakhs*.

3.2 The assessee filed his return declaring income of Rs.9,43,320/- which was picked up for scrutiny under CASS for examination and verification of source of cash deposits. In course of assessment proceedings, financial statement of the assessee were filed but satisfactory explanation could not be furnished in respect of the cash deposit in bank during demonetisation period. In absence of any satisfactory explanation, the said amount was added back to the total income u/s 69A of the Act.

4. The matter was carried in appeal and in course of appellate proceedings, submissions has been filed, claiming other business receipts and rental income but the explanation regarding the source of cash deposit was not to the satisfaction of the Id. CIT(A) and as such, the appeal has been dismissed.

5. Now the assessee is in appeal before the tribunal and during the course of hearing, the Id. AR submitted that the assessee would like to file fresh documentary evidences to prove the existence of the source of the cash deposits in bank account and also submitted that proper opportunity of hearing has not been allowed by the authorities below.

5.1 He further submitted that reply of the assessee dated 29.11.2022 has not been considered by the Id. first appellate authority and as such, the order passed by the Id. CIT(A) without considering the submissions are not as per provision of law, taking

into consideration, that the assessee has declared his income under the provisions of section 44AD of the Act. However, he prays for an opportunity of hearing and for filing of fresh documentary evidences in support of his case.

6. The Id. DR relied on the order of the Id. CIT(A) and submits that in the instant case the deposit of Rupees thirty-five lakhs was in SBN, and immediately afterwards an amount of Rupees thirty-three lakhs, has been transferred to bank F.D. A/c by the assessee, which clearly points towards investment in assets out of accumulated SBN, the source of which remains to be explained. He further submits that the same cannot be considered as usual business turnover, in absence of matching withdrawals. However, he has no objection if the matter is remanded back to the file of the Id. CIT(A) for fresh adjudication, considering the fact that additional documentary evidences are to be furnished by the assessee in support of his explanation of the source of cash deposit.

7. We have heard the rival submissions and considered the materials on record. We are of the opinion that the justice will be served, if the matter is remanded back to the file of the Id. CIT(A) for fresh adjudication after considering the fresh materials and documentary evidences to be submitted by the assessee in support of his claim for explaining the source of cash deposited in bank account. We further

direct that the necessary report as per provisions of law may be obtained from the AO against fresh evidences.

7.1 The assessee will be allowed reasonable opportunity of being heard.

7.2 We have not expressed any opinion on merits and all issues are kept open.

8. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced on 28.07.2025 under Rule 34(4) of the Income Tax Appellate Tribunal Rules 1963.

Sd/-

(MANOJ KUMAR AGGARWAL)
Accountant Member

Sd/-

(UDAYAN DASGUPTA)
Judicial Member

AKV

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By order