

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

**(HYBRID COURT)**

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER  
AND SH. UDAYAN DASGUPTA, JUDICIAL MEMBER**

**I.T.A. No. 483/Asr/2024**  
Assessment Year: 2017-18

Balraj Singh, VPO Kangror,  
Tehsil Banga, Distt. SBS Nagar,  
Punjab 144504

Vs.

Income Tax Officer,  
Ward Nawanshahar,  
Punjab

[PAN: EVSPS 3295C]

**(Appellant)**

**(Respondent)**

Appellant by : Sh. Ashok Goyal, C.A.  
Respondent by : Sh. Charan Dass, Sr. D. R.  
Date of Hearing : 07.07.2025  
Date of Pronouncement : 18.08.2025

**ORDER**

**Per Udayan Dasgupta, J.M.:**

This appeal is filed by the assessee against the order of the Id. CIT(A) NFAC, Delhi dated 25.06.2024 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the AO, Ward, Nawanshahar passed u/s 143(3) of the Act, 1961 dated 18.10.2019.

2. Grounds of appeal taken by the assessee in Form No. 36 are as follows:

- “1. *That in the facts and circumstances of the case, addition of Rs. 42,31,350/- as the income of the appellant on account of cash deposit in a saving bank account by invoking the provisions of section 69A of the Act is arbitrary and bad in law.*
2. *That Ld. CIT(A) has erred in upholding the action of the Ld. AO in charging tax under section 115BBE of the Act.*
3. *The order has been passed in gross violation of the Principle of Natural Justice.*
4. *That the appellant craves to add, amend, or alter grounds of appeal before the appeal is finally heard and disposed of.”*

3. Brief facts emerging from records are that the assessee is an agriculturist and derives income from agricultural activity and sale of milk. The assessee has filed his return declaring a total income of Rs.1,43,800/- (*plus agricultural income of Rs.7,62,000/-*). The case was selected under CASS and necessary verification was carried out to enquire into the source of cash deposits in bank for the financial year amounting to *Rs.51.60 lacs* out of which an amount of *Rs.22.35 lacs* has been deposited during the demonetization period. It is seen from the assessment records that in course of assessment proceedings, the assessee was represented by his advocate and written submissions were filed along with the cash flow statement to explain the source of cash deposited in bank account by the assessee. It is observed by the AO that cash in hand as disclosed by the assessee in his return filed for the earlier year 2016-17 (*as on 31.03.2016*) was Rs.9,500/- (Nine thousand Five

Hundred) but in the cash flow statement furnished by the assessee, the opening cash in hand as on 01.04.2016 has been taken at Rs.8.58 lacs. It is also noted by the AO that the sale of agricultural produce made through various commission agents, has been received through bank channel amounting to Rs.9.16 lakhs and only an amount of Rs.29,000/- in cash. As such, on the failure of the assessee to explain the source of cash deposited in bank account, the assessment has been completed on a total income of Rs. 42.31 lacs being the unexplained portion, (even after allowing the benefit of redeposit of cash withdrawn from respective bank account).

4. The matter carried in appeal has been dismissed by the Id. first appellate authority after considering the written submission filed by the assessee by observing as follows:

*“The above table clearly indicates that the appellant had filed return of income for AY 2015-16 to 2017-18 belatedly. During the assessment year 2015-16 to 2018-19 alone, the appellant had declared agricultural income of around 7.5 lakhs to 7.9 lakhs, thereafter in AY 2019-20, 2022-23 & 2023-24, he didn't declare agricultural income at all. Similarly, during assessment year 2020-21, 2021-22, he had declared returned income 'Nil'. Moreover, from the above available records in the form of return of income filed for assessment year 2015-16, it is very evident that appellant had a returned income of around Rs.2 lakhs and agriculture income of Rs. 7 to 8 lakhs whereas the cash deposit made is Rs.51,60,000/- which is multi-fold times more than the returned income and agricultural income of that year. Therefore, the claim of the appellant that the cash deposits was made out of his earlier earnings /agricultural income/income from sale of milk is not supported by the ROI. Thus the claim of the appellant falls flat.*

*In view of the above, the action of the Assessing Officer to bring to tax Rs.42,31,350/- the cash deposit, to tax as unexplained money does not warrant any interference, hence, this ground of appeal is dismissed.*

7. *Thus, appeal filed by the appellant stands dismissed.”*

5. Now, the assessee is before the Tribunal on the grounds contained in the memorandum of appeal. In course of hearing, the ld. AR of the assessee made an application under *rule 29 of the Income Tax Appellate Tribunal Rules 1963* for admission of additional evidence. The ld. AR submitted that the certain documentary evidences could not be filed before the lower authorities in course of assessment proceedings and in course of first appellate authority, because the assessee was unaware of the notices issued by the authorities calling for documents and the assessee being a layman and agriculturist, was not conversant with legal procedure under the Act.

6. He further submitted a short paper book containing copies of *Girdawari* and a *copy of an agreement relating to some agricultural land (in regional language)* without any English translation. He also furnished a document from one *Smt. Sukhwinder Kaur (Aadhar No. 4985 7031 5135)* from whom the assessee is said to have received Rs.9,80,000/- on 13<sup>th</sup> May, 2016 and another document from *Mr. Sukhwinder Singh (Aadhar No. 7174 3538 9045)* from whom it is said the assessee has received Rs.4,90,000/- in cash on 17.11.2016.

7. The contention of the Id. AR of the assessee is that all the cash receipts as per additional evidence has to be taken into consideration for the purpose of explanations of cash deposits in bank account during the demonetization period.

8. As such, he submits that on the basis of these documentary evidences and on the basis of an agreement (*unregistered*) which is supposed to be an advance against agricultural land, the deposits of cash in the bank account will be successfully explained, provided an opportunity is allowed to the assessee to explain the same and he prays for an opportunity to be granted.

9. The Id. DR relied on the order of the Id. CIT(A) and submitted that opportunity before the A.O. has been granted on eleven occasions (as per details contained in assessment order) and submissions has been filed before the A.O. and also before CIT(A), but there is no reason as to why these additional evidence could not be filed, and the same does not satisfy the conditions of the Rules, 1963.

10. We have heard the rival submissions and considered the materials on record and also the additional evidences produced before us and we find that these documents which are now being produced before us has not been produced before the Assessing Officer or before the Id. CIT(A), in spite of numerous opportunities being allowed at both the stages and also the fact that the assessee has been

represented by his lawyer and elaborate submissions has been made at both the stages.

11. However, in the interest of justice, we remand the matter back to the files of the Id. CIT(A) to consider these fresh evidences and to allow opportunity to the assessee to explain the sources of cash deposits in bank account to the satisfaction of the first appellate authority.

12. The Id. first appellate authority is directed to admit these fresh evidences and to obtain necessary report from the AO as per procedure (after due verification) and thereafter to consider the explanations of the assessee and the assessee is also directed to fully cooperate in the appellate proceedings for proper disposal of the appeal.

13. We have not expressed any opinion on merits on the documentary evidences produced before us which needs to be verified and authenticity of the said documents needs to be enquired into.

14. With the above observations, the appeal is remanded back to the files of the Id. CIT(A) for fresh adjudication on merits.

15. In the result, the appeal filed by the assessee is allowed for statistical purpose.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 18.08.2025.

**Sd/-**  
**(Manoj Kumar Aggarwal)**  
**Accountant Member**

**Sd/-**  
**(Udayan Dasgupta)**  
**Judicial Member**

*\*GP/Sr.PS\**

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T

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By Order