

**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. 19/Asr/2024
Assessment Year: 2017-18

Vikram Khanna
Vikram Enterprises,
Dal Mandi, Amritsar
Punjab 143001

[PAN: ABFPK 6641K]
(Appellant)

Vs.

Income Tax Officer,
Income Tax Department
Amritsar

(Respondent)

Appellant by : Sh. Kundan Pandey
Respondent by : Sh. Charan Dass, Sr. D. R.
Date of Hearing : 15.07.2025
Date of Pronouncement : 18.08.2025

ORDER

Per Udayan Dasgupta, J.M.:

This appeal is filed by the assessee against the order of Id. CIT(A) National Faceless Appeal Centre (NFAC), Delhi dated 24.11.2023 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the A.O., Ward 2(3), Amritsar dated 31.12.2019 passed u/s 143(3) of the I.T. Act, 1961.

2. The assessee has taken nine grounds of appeal in Form No. 36 and all the grounds relates to one single issue of an addition of *Rs.16.58* lacs being cash deposited in bank account by the assessee during the demonetization period.

3. Brief facts emerging from records are that the assessee is engaged in the business of sugar trading (wrongly stated as a jewellery (*jewellery shop*) under the trade name of *M/s Vikram Enterprises* located at Dal Mandi, Amritsar. The return of income filed by the assessee disclosing a total income of *Rs.7,34,840/-* has been selected for complete scrutiny under CASS. In course of scrutiny replies were filed by the assessee along with the cash book of *Vikram Enterprises*, by the help of which the SBN deposited in bank account where attempted to be explained. However, the explanation of the assessee was not to the satisfaction of the Assessing Officer and the assessment was completed on a total income of *Rs. 23.93* lacs (*which included an addition of Rs.16.58* lacs being cash deposited during the demonetization period).

4. The matter was carried in appeal and the Id. CIT(A) dismissed the appeal after considering the appellant's submissions filed during the course of appellate proceedings. It was submitted by the assessee that the Assessing Officer has never looked into the papers and documents submitted by the assessee in course of assessment proceedings and particularly pointed out to the defect that it is mentioned in the assessment order that the assessee is engaged in the business of jewellery but

actually the assessee is a business-man trading in sugar (*not at all connected with jewellery*).

5. The Id. AR of the assessee in course of hearing before the Tribunal pointed out that the factual aspects narrated by the AO in the assessment order are *in-correct*, considering that the figures of cash deposits on various dates does not match with the figures contained in the assessment order. He pointed out that the total SBN deposits was *Rs.14.89 lacs (and not Rs.16.58) lacs* as stated by the AO). He explained that the cash deposits in bank during demonetization period are reflected in the regular cash book and are sourced out of regular sale proceeds and he submits that the books of accounts has not been given any cognizance, neither by the AO, nor by the Id. first appellate authority, and prayed for deleting the addition.

6. The Id. DR relied on the order of the Id. CIT(A) and also pointed out that in the instant case, cash book needs to be thoroughly examined which has not been done in this case because the Id. first appellate authority has specifically observed that the assessee has only produce cash book for the *period of 01.10.2016 to 21.12.2016* and as such the business transaction of relating to earlier period and subsequent period has never been examined. However, he has no objection if the matter is remanded back to the files of the AO for fresh assessment, considering the fact that the assessee

is actually engaged in the business of trading of sugar and (*not in the business of jewellery*) as stated in the assessment order.

7. We have heard the rival submissions and considered the materials on record and we find that this issue of cash deposits during the demonetization period is to be explained through regular cash book which needs to be examined along with the bank statements supported by purchase and sales invoices and stock book records.

8. As such, in the interest of justice, we set aside the matter back to the files of the Assessing Officer for fresh assessment on merits of the case after examination of proper books of account and documentary evidences to be submitted by the assessee. The assessee is also directed to fully cooperate in fresh assessment proceedings and produce the cash book along with the supporting documentary evidences and other details to explain the cash deposited in bank account during the demonetization period. The assessee will be allowed proper and reasonable opportunity of being heard.

9. We have not expressed any opinion on merits of the case and all legal issues are kept open.

10. 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

True Copy
By Order