

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

Chetanaya Traders,  
46, Leather Complex,  
Kapurthala Road,  
Punjab-144021

[PAN: AAIFC 0868J]  
**(Appellant)**

Vs.

Income Tax Officer,  
Ward 1(1), Jalandhar

**(Respondent)**

Appellant by : Sh. Sachin Jain, Adv.  
Respondent by : Sh. Charan Dass, Sr. D.R.  
Date of Hearing : 06.08.2025  
Date of Pronouncement : 28.08.2025

**ORDER**

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

This appeal is filed by the assessee against the order of the Id. CIT(A) NFAC, Delhi dated 04.12.2023 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the ITO, Ward-1(1), Jalandhar passed u/s 143(3) of the Act, dated 29.12.2019.

2. The assessee has taken seven grounds of appeal challenging the additions made *u/s 69A amounting to Rs.2.23 crores* on account of unexplained cash deposited in bank during demonetization period and addition of *Rs.6.80 lakhs u/s 40A (3)* of the Act 61, for cash payments exceeding limits, both sustained by the first appellate authority, in absence of any compliance to various notices issued by the Ld. CIT (A) (*as evident from para – 4 of appellate order*).

3. In ground no. 2 the assessee has objected to the fact that no proper opportunity of hearing has been provided before confirming the additions.

4. It also not ascertainable from records whether hearing notice has been issued in *email id provided in form 35 ([sanjeev31160@rediffmail.com](mailto:sanjeev31160@rediffmail.com))* even though the Ld. first appellate authority has sustained the additions based on the SOF and Grounds contained in the memo of appeal.

5. Brief facts emerging are that the assessee firm is engaged in the business of trading of *raw hides and wet blue leather* and during the demonetization period the assessee has *deposited SBN* amounting to *Rs. 2.28 crores* in bank accounts (*page 3 of assessment order*) and even though the assessee has filed submissions and bank documents in course of assessment, the cash book was never produced in spite of repeated requests (*as noted by AO para – 7 of order*) on account of software issues.

6. In absence of satisfactory explanation the assessment was completed on a total income of *Rs.2.32 crores (against returned income of Rs.2.57 lakhs)* and the matter carried in appeal has been dismissed in absence of proper explanation and inadequate compliance.

7. In course of hearing the Ld AR filed a short paper book containing number of bank statements of different accounts maintained with PNB, audit report, audited accounts, ITR and computation of income, and submitted that the source of cash deposited in bank accounts during demo period was out of withdrawals from banks on various dates prior to demonetization (*and not from regular sale proceeds of the assessee, as per synopsis para – 5 filed before tribunal*).

8. As such he prays that an opportunity be allowed for production of cash book before the *Ld first appellate authority*, because all such periodical withdrawals from banks are duly recorded in regular cash book, through which the said deposits can be satisfactorily explained.

9. The Ld DR relied on the order of the first appellate authority, but considering the *ex-parte* order passed without proper representation, he has no objection if the matter is remanded to Ld. CIT(A).

10. We have considered the materials on record and heard the rival counsels and we are of the opinion that cash deposited in bank during demonetization period by a

business entity needs to be explained by production of books of accounts (*cash book regularly maintained in normal course of business*) along with supporting evidences.

11. As such in the interest of justice we remand the matter back to the Ld first appellate authority for deciding on all grounds contained in form 35 on merits after allowing an opportunity to the assessee to file necessary documents and submissions in support of its contention and to explain the source of cash deposited in bank during demonetization period.

12. We have not expressed any opinion on merits of the case and all issues are left open.

13. The assessee to be allowed opportunity of being heard.

14. 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 28.08.2025.

**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