

**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. 452/Asr/2024
Assessment Year: 2016-17

Krishan Kumar
#21968#, Dhobiana Road,
Street No. 4, Bathinda
151001 Punjab.
[PAN: ACIPK 2037R]

Vs.

Income Tax Officer,
Ward 1(1)-Bathinda
Central Revenue Building
Civil Lines, Bathinda
151001 Punjab

(Appellant)

(Respondent)

Appellant by	:	Sh. P. N. Arora, Adv.
Respondent by	:	Sh. Charan Dass, Sr. D.R.
Date of Hearing	:	10.09.2025
Date of Pronouncement	:	16.10.2025

ORDER

Per Udayan Dasgupta, J.M.:

This appeal is filed by the assessee against the order of the ld. CIT (A) NFAC, Delhi dated 13.06.2024 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the AO, Ward-1(1), Bathinda passed u/s 144 of the Act, 1961 dated 17.12.2018.

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

- “1. That the order of the Assessing Officer as well as the order of Learned CIT(A) dated 13/06/2024 are both against the facts of the case and are untenable under the law.
2. That the worthy CIT(A) has not appreciated the facts of the case and merely relied on order of the AO and without applying his mind and without any rhyme & reason, the Ld. CIT(A) has confirmed the addition of Rs/-26,23,170 made by the AO. As such the order of Ld. CIT(A) is bad in the eyes of law and the same is liable to be cancelled and the addition made may be deleted.
3. That the CIT(A) did not appreciate that the books of accounts were regularly maintained and on the basis of which the income was returned at Rs/- 3,56,300/-that the necessary details was duly filed before the CIT(A) and cash flow statements was also duly filed before the CIT(A)and the Ld. CIT(A) without signing any reason has rejected the cash flow statements and books of accounts. That necessary information was duly submitted before the CIT(A) and the Ld CIT(A) has not appreciated the facts of the case and has failed to apply his mind before the confirming the addition. As it is prayed that the addition confirmed by the CIT(A) as same may be deleted. That no addition is called for as books of accounts were never rejected and Copies of the Balance sheet were duly filed.
4. Alternatively, addition made is very high & excessive.
5. That any other ground of appeal which may be argued at the time of hearing of the appeal.”

3. Brief facts emerging from the records are that the assessee is a qualified chartered accountant in practice and has filed his return of income declaring total income of Rs.3,56,300/-. The case has been selected for scrutiny under CASS for

verification of cash deposits in bank account. It is observed by the AO that the assessee has disclosed cash in hand of an amount of *Rs. 27.53 lakhs as on 31.03.2016* and had opening cash as on 01.04.2015 amounting to Rs. 1.30 lakh only. It was further observed that the total income disclosed in the return being Rs.3.56 lakhs is not commensurate with the closing cash in hand. Even though cash flow statement has been filed by the assessee in course of assessment proceedings, the authenticity and genuineness of such financial transactions of loans, taken from various parties as contained in the cash flow has not been satisfactorily explained, because no reply has been filed on the e-assessment portal till the date of assessment. As such, in absence of any satisfactory explanations regarding availability of cash an addition of *Rs.26.23 lakhs* has been made to the returned income.

4. The matter was carried in appeal and the said appeal has been dismissed by the 1st appellate authority, in absence of proper explanation regarding the identity and creditworthiness of the various persons from whom loans have been obtained (*by observing as follows*);

“6.3 Thus, the appellant has claimed that unsecured loans taken from certain person is the source of impugned cash in hand, but failed to give any details of identity, creditworthiness of said loan giver and has totally failed to establish genuineness of his claims. No confirmation of alleged creditors, their ITR, and their bank statement as sought to be relied upon as additional evidence could be submitted by the appellant even after more than five years of filing this appeal. The only inference that can be drawn in such facts and

circumstances of the case is that the appellant does not possess any supporting documents and evidences to substantiate his claims and that the said claims are non-genuine in nature.

6.4 The appellant has claimed that no compliance could be made at the assessment stage as his office was seized by bank authorities. However, the AO has clearly mentioned in the assessment order that the notices were served both electronically and physically. Therefore, the claim of the appellant of being unaware of scrutiny proceeding is not found justified. The notice u/s,143(2) of the Act was issued and served electronically on 18.09.2017 and also served physically. Subsequently, notice u/s. 142(1) dated 04.01.2018 was also issued and served on the appellant and these periods are not covered by the period of physical possession by the bank. Therefore, the claims made by the appellant are not found satisfactory.

6.5 Based on the above discussion, it is clear that the AO has rightly added the unexplained cash deposits of Rs.26,23,170/- as the nature and source of the same has not been explained to the satisfaction of the AO/NFAC. As a result, the grounds of appeal filed by the appellant are dismissed.

7. In the result, appeal is dismissed.”

5. Now, the assessee is in appeal on the grounds contained in Form No. 36. In course of hearing, the ld. AR of the assessee submitted a paper book containing certificates from *Oriental Bank of Commerce* confirming the seizure of office premises of the assessee for recovery of outstanding dues, under the *SARFAESI Act*, along with the copies of income tax return, computation of income and profit and loss account and balance sheet, and statement of unsecured loan for the financial year under appeal along with the cash flow statement. Copies of bank statement of *Oriental Bank of Commerce* A/c Nos. xxxxx0031870, xxxxx967 and xxxx1596 has also been filed. The

Id. AR argued that the loans has been obtained by the assessee from various parties including *HDFC Bank amounting to Rs. 5,50,000/- and Bajaj Finance Ltd. amounting to Rs.9,71,850/-* and other private parties totaling to Rs.32.46 lakhs. He further submitted that the opening balance on 01.04.2025 was *Rs.5 lakhs* and he has furnished a cash flow statement to explain that the total inflow of cash and the outflow of cash as reflected in the cash flow statement are all supported by documentary evidences which leaves sufficient cash with the assessee amounting to Rs.27.53 lakhs as on 31.03.2016 which perfectly matches with the *cash in hand disclosed in ITR-4*.

6. He further submitted that the Assessing Officer has not given proper cognizance to the various bank statements filed and has not considered the details of unsecured loans for the purpose of explaining the availability of cash flow. As such, the Id. AR prayed that a fresh opportunity may please be allowed to the assessee to explain and prove his case with all documentary evidences on record.

7. The Id. DR relied on the order of the Id. CIT(A) and has submitted that no documents were filed before the Assessing Officer which is very clear from the observations of the *AO in page no. 2 of the assessment order* where it has been categorically stated that *'in response to the notice issued, the assessee has not filed the reply on e-mail portal till date.'* He further submitted that it is also observed by the AO that the assessee could not produce any supporting evidence regarding the cash in hand

and all these documentary evidences now produced before the Tribunal are all fresh evidences which needs to be verified in order to determine the authenticity of the documents. He, however, has no objection if the matter is remanded back to the files of the AO for fresh consideration.

8. We have heard the rival submissions and considered the materials on record and we find that the bank statements and the certificates issued by private lenders needs to be verified and examined by the Assessing Officer vis-à-vis the bank statements of the assessee and as such, in the interest of justice, we remand the matter back to the files of the AO for fresh assessment on merits after considering all documentary evidences to be submitted and we also direct the assessee to file all relevant documentary evidences regarding the loans obtained from HDFC Bank, Bajaj Finance Ltd. and also from other parties as appearing in the details of unsecured loans (*contained in paper book page no. 8*) and to fully cooperate in assessment proceedings to explain the source of cash available with the assessee to the satisfaction of the Assessing Officer.

9. The assessee will be allowed reasonable opportunity of being heard to the assessee and notice to be issued as per section 282 of the Act, and also in e-mail id through portal.

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

11. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 16.10.2025.

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