



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

**BEFORE SHRI ANADEE NATH MISSHRA, ACCOUNTANT MEMBER
AND
SHRI SUBHASH MALGURIA, JUDICIAL MEMBER**

I.T.A. No.131/Alld/2025
Assessment year:2015-16

Sangam Eanta Udyog, Parwatpur Ramganj Mandhata, Pratapgarh-230001 PAN:ABPFS7978H (Appellant)	Vs.	N.F.A.C., Delhi. (Respondent)
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Appellant by	None
Respondent by	Shri A. K. Singh, Sr. D.R.

ORDER

PER ANADEE NATH MISSHRA, A.M.

(A) This appeal vide I.T.A. No.131/Alld/2025 has been filed by the assessee for assessment year 2015-16 against impugned appellate order dated 08/01/2025 (DIN & Order No.ITBA/NFAC/S/250/2024-25/1071978170(1) of Commissioner of Income Tax (Appeals) ["CIT(A)" for short]. The grounds of appeal are as under:

- "1. *That in any view of the matter assessment framed on income of Rs.53,12,010/- by order dated 08.03.2023 u/s 147 r.w.s. 144 of the Act is highly unjustified.*
2. *That in any view of the matter the proceeding as initiated is not a valid proceedings as there was no concealment of income nor any proper satisfaction was recorded about concealment of income hence entire action u/s 147 of the Act is not a judicious action in the eye of law.*
3. *That in any view of the matter after filling of return in compliance to notice u/s 148 of the act no notice u/s 143(2) of the Act was issued which is mandatory requirement under the Act hence in absence of proper service of notice assessment liable to be declared annulled.*
4. *That in any view of the matter addition of Rs.52,00,500/- as made by the assessing officer on account of cash deposit in bank as added u/s 69A of the act is highly unjustified.*
5. *That in any view of the matter was wrong in adding Rs.52,00,500/- when the same represent sale proceed of assessee business and the sale cannot be termed income of the assessee hence the addition made is highly unjustified.*
6. *That in any view of the matter the difference in bank deposit as well as sales as shown by the assessee is fully explained and was from definite sources hence the finding and observation in the order is highly unjustified."*

(B) The facts of the case, in brief, are that the assessee is a firm and engaged in brick klin business. For the year under consideration the assessee had not filed its return of income. Proceedings u/s 147 were initiated by issue of notice u/s 148 of the Act. In compliance to said notice, the assessee filed its return on 31/01/2023 declaring total income of Rs.1,11,510/-. The Assessing Officer processed the return filed by the assessee and passed ex-parte assessment order under section 147 read with section 144B of the Act on 08/03/2023 and made an addition of

Rs.52,00,500/- on account of cash deposits made by the assessee. Aggrieved, the assessee carried the matter in appeal before the learned CIT(A). Vide impugned appellate order dated 08/01/2025, the assessee's appeal was dismissed by the learned CIT(A). Aggrieved further, the assessee is in appeal before the Income Tax Appellate Tribunal.

(C) At the time of hearing before the Tribunal, none was present on behalf of the assessee. In absence any representation from assessee's side, learned Departmental Representative was heard and materials available on record were perused. The learned Departmental Representative placed strong reliance on the assessment order and the impugned appellate order of learned CIT(A). For the ease of reference, relevant portion of the impugned order of learned CIT(A) is reproduced below:

3. Decision:

I have carefully considered the material available on record along with the findings contained in the assessment order and the submissions of the appellant before CIT(A). The grounds of appeal and statement of facts have also been carefully perused. Notices were issued in this case on 03.01.2024, 21.11.2024, 19.12.2024 against which the appellant had filed certain details which are taken on record. The assessee has taken four grounds, all of which are directed against the lone issue of the addition made of Rs. 52,00,500/-. For the sake of adjudication, all the grounds are disposed off together.

The issue involved in this case is unexplained cash deposits in the bank account for an amount of Rs 52,00,500/-. During the assessment proceedings, various opportunities were given by the AO vide the notices u/s 142(1) and the show cause notices. The assessee merely filed the copy of Balance Sheet, P&L Account and the Bank Statement of the account in which the impugned cash was deposited and also a copy of proof of dealership of a business. However, no return of income was filed. Though the assessee replied that the cash deposits are out of sale of bricks in cash, he did not file any purchase details, sales details, cash book, etc. The AO proceeded to add the impugned amount of Rs 52,00,500/-.

During the appeal proceedings, the appellant had filed a copy of the partnership deed of M/s Sangam Eanta Udyog comprising of two partners, Shree Ajay Singh and Shri Ashok Kumar Singh. He also filed the GST registration details, copy of the P&L account, Balance Sheet, etc. Vide his written submission dated 01.12.2024, it was explained that the said firm is in the business of manufacturing and purchase and sale of bricks required for construction purposes. It was pleaded that the addition was made without any basis. It was explained that the cash deposit in the bank account were made out of the sales for the year of Rs. 62,97,000/-. It was pleaded that considering the evidences filed by him, the appeal should be favorably disposed.

It is seen from the Trading and P&L Account that the appellant had sales of Rs

67,94,380/- for the year. Vide the written submission dated 01.12.2024 point no. 6, the appellant had mentioned the same. It is seen from the Assessment Order that the AO gave due credit for the sales disclosed. The AO observed that that the total credits in the bank accounts were of Rs. 1,15,56,406/- (of which, the cash deposits were of Rs 52,00,500/-) whereas the total sales were only of Rs 62,97,000/-. Thus, there was variation in the total credits in the bank account vis-à-vis the total sales disclosed. In the absence of any details being filed, the amount of variation stood unexplained. Further, the appellant did not file any details of the sales, any bills/invoices for purchase of materials, etc. Even the cash book was not filed evidencing generation of cash, which was stated by the assessee as utilized for cash deposits. The AO made a categorical remark that mere claim of business is not sufficient. In the absence of any proof of existence and conduction of business being filed, the AO added the impugned cash deposits made by the assessee of Rs. 52,00,500/-. Even during the appeal proceedings, the appellant failed to reconcile the total credits in the bank account of Rs. 1,15,56,406/-, with the sales disclosed. There is certainly a variation of Rs. 52.59 lakhs. Incidentally, the cash deposited by the appellant in the bank account is of Rs. 52,00,500/-, which was added by the AO in the assessment proceedings. In the absence of any reconciliation being filed by the appellant, and further in the absence of any details of purchases and sales being filed to establish generation of cash, I find there is no reason for the undersigned to interfere with the conclusions drawn by the AO. Accordingly, all the Grounds of the appellants are dismissed.

(C.1) We are of the view that the impugned order of learned CIT(A) is just and fair having regard to facts and circumstances of the case, and applicable law. The learned CIT(A) has passed a well reasoned and speaking order. No material has been brought for our consideration to persuade us to take a view different from the view taken by learned CIT(A). Therefore, the impugned order of learned CIT(A) is upheld and the appeal is dismissed.

(D) In the result, the appeal is dismissed for statistical purposes.

(Order pronounced in the open court on 30/10/2025)

Sd/.
(SUBHASH MALGURIA)
Judicial Member

Sd/.
(ANADEE NATH MISSHRA)
Accountant Member

Dated:30/10/2025

*Singh

Copy of the order forwarded to :

1. The Appellant
2. The Respondent.
3. Concerned CIT
4. D.R., I.T.A.T.