

**IN THE INCOME TAX APPELLATE TRIBUNAL,
AGRA (SMC) BENCH, AGRA**

BEFORE : SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER

**ITA No. 511/Agr/2025
Assessment Year: 2017-18**

Chandrabhan Singh Bundela Vill Banguan Kalan, Talbehat Lalitpur	Vs.	Commissioner of Income Tax (Appeals)
PAN : AEUPB6520N		
(Appellant)		(Respondent)

Assessee by	Shri Naveen Gargh, Adv.
Department by	Shri Anil Kumar, Sr. DR

Date of hearing	17.02.2026
Date of pronouncement	17.02.2026

ORDER

The assessee has filed this appeal against the order of the learned Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 25.09.2025 for the Assessment Year 2017-18.

2. Aggrieved, the assessee is in appeal before ITAT, raising following grounds:

1. General-The learned Commissioner of income Tax (Appeal) has erred in law in confirming the action of the Assessing Officer completed the assessment proceeding us 144 of Income Tax Act 1961.-The learned Commissioner of income Tax (Appeal) has 1 erred in law in confirming the action of the Assessing Officer completed the assessment proceeding us 144 of Income Tax Act 1961 which is not justifiable despite of giving replies at various time and learned assessing officer also mentioned a page of our reply in his assessment order.

2. 69A-Erroneous addition of Rs. 24,40,000/- on account of cash deposits as unexplained money. The learned Commissioner of Income Tax (Appeals) has erred in law while sustaining the addition of Rs. 2440000/- in bank account as

unexplained money because the business is related to construction there must be the cash transactions related to the business such as the payment made towards the wages and salary of laborers and purchases of materials related to the completion of the contract works. So, he frequently withdraws cash from bank and payment made for labor and other petty expenses in cash and if any cash remains with him for long time he deposited the same in bank. Hence the order passed by the Honorable Commissioner Appeals of Income Tax of sustaining the order made by the learned AO of addition to income of assessee of Rs. 2440000/- is not justifiable.

3. 115BBE-Erroneous calculation of the tax as per Section 115BBE.- The learned Commissioner of Income Tax (Appeals) has erred in law while calculating the tax as per Section 115BBE.

4. 271AAC(1)-Erroneous initiation of penalty proceeding under section 271AAC(1) The learned commissioner of Income tax (Appeals) has erred in law while initiating the penalty proceeding under section 271AAC(1).

3. Brief facts are, the AO had gathered the information during the assessment proceedings in the case of assessee's daughter that she had deposited Rs. 26,65,000/- during the demonitisation period, on enquiry it was found that she had only deposited Rs. 225,000 and the balance was deposited by the assessee. The above facts was accepted by the assessee by filing affidavit. In order to verify the same, the case of the assessee was reopened by issue of notice u/s 148 of the Act. The assessee had not complied to the notices properly but he had filed copy of the bank statement however, the AO noticed the variation in the return of income declared by the assessee and the amounts deposited in the bank. Further notice was issued to the assessee to substantiate the same. No response

from the assessee, the AO proceeded to complete the assessment invoking the provisions of section 144 of the Act.

4. Aggrieved with the above order, the assessee preferred an appeal before NFAC, Delhi. Before, Ld CIT(A) submitted that the assessee is a contractor and running business in the name and style of RS Bundela & Sons, the cash deposited may be belongs to the above firm and the relevant returns were filed. Further based on the above additional evidences, the remand report was called from the AO, based on the remand report, it was noticed that the assessee had failed to submit any documents and submissions before AO and Further it was observed by the Ld. CIT(A) that the reply of the assessee was casual and same submissions were made during response to the remand report. Not convinced with the submissions submitted by the assessee, the additional evidences were also rejected.

5. At the time of hearing it was submitted that the assessee has a case in case the additional evidences are verified and the assessee had a source for making such deposits. After considering the submissions of both the parties, I observed that it is fact on record that the assessee had not made any submissions before the AO and the assessment was completed u/s

144 of the Act, even before the first appellate authority, the assessee had filed certain the additional evidences, merely relying on the report of AO, the additional evidences were rejected. For the sake of complete justice, I am inclined to remit this issue back to the file of AO with the direction to accept the additional evidences submitted before the first appellate authority and redo the assessment afresh after giving proper opportunity of being heard to the assessee. At the same, the assessee also directed to cooperate with the authorities to complete the assessment and not to take any unnecessary adjournments. In the result, the ground raised by the in this regard is allowed.

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

Order pronounced in the open court on 17.02.2026

**Sd/-
(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

Dated: 18.02.2026

*Ganesh Kumar, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, Agra