

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "एसएमसी", चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH "SMC", CHANDIGARH

HEARING THROUGH: VIRTUAL MODE

श्री ललित कुमार, न्यायिक सदस्य
BEFORE: SHRI. LALIET KUMAR, JM

आयकर अपील सं. / ITA No. 1090/Chd/2025
निर्धारण वर्ष / Assessment Year : 2017-18

Vineet Kumar Kotwali Bazar, Dharamshala Himachal Pradesh - 176215	बनाम	ITO Dharamshala
स्थायी लेखा सं./PAN NO: AHXPK6127P		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारिती की ओर से/Assessee by : None
राजस्व की ओर से/ Revenue by : Shri Dr. Ranjit Kaur, Addl. CIT, Sr. DR

सुनवाई की तारीख/Date of Hearing : 18/03/2026
उद्घोषणा की तारीख/Date of Pronouncement : 19/03/2026

आदेश/Order

PER LALIET KUMAR, J.M:

This appeal has been preferred by the assessee against the order passed by the Ld. CIT(A), NFAC, Delhi under section 250(6) of the Income-tax Act, 1961 for the assessment year 2017-18.

2. The brief facts of the case, as emanating from the record, are that the assessee is engaged in business and during the demonetization period cash deposits amounting to ₹15,79,000/- were found credited in the bank account of the assessee. Based on such information, the case was reopened and notice under section 148 of the Act was issued. Subsequently, notices under section 142(1) were issued from time to time. According to the Assessing Officer, the assessee failed to furnish satisfactory explanation along with supporting documentary evidences in respect of the cash deposits. Consequently, the assessment was completed under section 144 of the Act and the amount of ₹15,79,000/- was treated as unexplained money under section 69A of the Act.

3. The Ld. CIT(A) upheld the action of the Assessing Officer by observing that the assessee had failed to properly comply with the notices issued during the assessment proceedings and no satisfactory explanation with evidences was furnished to substantiate the source of cash deposits.

4. Aggrieved, the assessee has raised multiple grounds of appeal, primarily challenging the validity of reassessment proceedings, invocation of section 144, violation of principles of natural justice, and also the addition made under section 69A of the Act. The grounds, inter alia, include challenge to jurisdiction on account of alleged invalid issuance of notice under section 148, non-compliance of procedure prescribed under section 148A, improper invocation of best judgment assessment despite compliance, and failure of the authorities below to consider replies and evidences furnished by the assessee.

5. None appeared at the time of hearing of appeal.

6. Per contra, the Ld. Departmental Representative relied upon the orders of the lower authorities and submitted that sufficient opportunities were granted to the assessee, however, the assessee failed to furnish cogent evidences to explain the cash deposits and therefore the Assessing Officer was justified in invoking section 144 and making addition under section 69A of the Act.

7. I have heard the submissions of DR and perused the material available on record. The primary issue that arises for consideration is whether the assessment framed under section 144 read with section 147 of the Act is sustainable in law and on facts.

8. On perusal of the record, it is observed that the Assessing Officer has proceeded to complete the assessment under section 144 of the Act on the premise that the assessee failed to comply with the notices issued under section 142(1). However, from the material placed on record and as also noted in the grounds of appeal, it emerges that the assessee had filed replies during the course of assessment proceedings. The assessment order itself records that certain replies were filed, though the same were not supported by documentary evidences. In such circumstances, the invocation of section 144 without duly considering the replies and without confronting

the assessee with deficiencies therein reflects a mechanical approach and is not in consonance with the settled principles of natural justice.

9. Further, it is also evident that the Ld. CIT(A) has dismissed the appeal without properly adjudicating upon the contentions raised by the assessee and without passing a speaking order as mandated under section 250(6) of the Act. The Ld. CIT(A) has failed to frame proper points for determination and has not dealt with the submissions and evidences in a reasoned manner, thereby rendering the appellate order non-speaking and unsustainable in law.

10. Considering the entirety of facts and circumstances of the case, I am of the considered view that the matter requires fresh examination at the level of the Assessing Officer. The assessee should be afforded one more effective opportunity to substantiate his claim with necessary evidences in respect of the cash deposits.

11. Accordingly, in the interest of justice, the impugned order passed by the Ld. CIT(A) is set aside and the matter is restored to the file of the Assessing Officer for fresh adjudication in accordance with law. The Assessing Officer shall provide adequate opportunity of being heard to the assessee and shall pass a speaking order after duly considering the submissions and evidences to be furnished by the assessee.

12. The assessee is also directed to cooperate in the set-aside proceedings and furnish all necessary details and evidences as may be called for by the Assessing Officer, failing which the Assessing Officer shall be at liberty to decide the matter in accordance with law.

13. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 19/03/2026

-Sd-

ललित कुमार
(LALIET KUMAR)

न्यायिक सदस्य /JUDICIAL MEMBER

AS

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT,
CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar