

**आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "B", चण्डीगढ़  
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH  
BENCH "B", CHANDIGARH**

**HEARING THROUGH: PHYSICAL MODE**

**BEFORE SHRI LALIET KUMAR, JUDICIAL MEMBER &  
SHRI KRINWANT SAHAY, ACCOUNTANT MEMBER**

**आयकर अपील सं. / ITA No. 1255/Chd/ 2025**

निर्धारण वर्ष / Assessment Year : 2017-18

Randhir Singh, Plot No. 2584, Sec. 69, Urban Estate, Mohali	Vesus	The DCIT / ACIT Cent)-1, Chandigarh
स्थायी लेखा सं./PAN NO: AZDPS5574K		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारिती की ओर से/Assessee by : Sh. Parikshit Aggarwal, CA  
राजस्व की ओर से/ Revenue by : Dr. Ranjit Kaur, Addl. CIT DR

सुनवाई की तारीख/Date of Hearing : 25.03.2026  
उदघोषणा की तारीख/Date of Pronouncement : 06.04.2026

**आदेश/Order**

**PER LALIET KUMAR, J.M:**

This appeal is directed against the order of the ld. Commissioner of Income Tax (Appeals)-3, Gurgaon, dated 31.07.2025, passed under section 250(6) of the Income Tax Act, 1961, for the assessment year 2017-18.

2. Briefly stated, the facts of the case, as emanating from the assessment order and the record, are that the assessment in the present case was completed under section 144 of the Act. The Assessing Officer, on the basis of information received under 'Operation Clean Money', noticed that the assessee had made substantial cash deposits in his bank accounts during the year under consideration. The assessee did not comply with the

statutory notices issued from time to time and failed to furnish the return of income as well as any explanation regarding the nature and source of the cash deposits.

3. The Assessing Officer, after calling for information under section 133(6) and analysing the bank accounts, observed that the assessee had deposited cash aggregating to Rs. 52,67,909/- in different bank accounts. In the absence of any satisfactory explanation and supporting evidence, the said amount was treated as unexplained money and added to the income of the assessee under section 69A read with section 115BBE of the Act.

4. Aggrieved by the assessment order, the assessee preferred an appeal before the Id. CIT(A). However, as is evident from the impugned order placed on record (pages 1 to 9), the Id. CIT(A) noted that despite several opportunities, the assessee failed to make effective compliance. The Id. CIT(A) proceeded to decide the appeal ex parte and upheld the action of the Assessing Officer.

5. The Id. CIT(A), while confirming the addition, observed that the assessee had failed to correlate the cash deposits with any business activity or known source of income and had not discharged the onus cast upon him. Reliance was placed on various judicial precedents to hold that in the absence of a satisfactory explanation, the addition under section 69A was justified.

6. Before us, the Id. The Authorized Representative submitted that the assessee could not properly represent his case before the lower authorities due to reasonable and bona fide circumstances. It was contended that the additions have been made and sustained

without proper appreciation of facts and without granting adequate opportunity to the assessee. The ld. AR further submitted that the assessee is now in a position to furnish the necessary evidence explaining the source of cash deposits and prayed that the matter may be restored to the file of the Assessing Officer for fresh adjudication.

7. The ld. Departmental Representative, on the other hand, supported the orders of the lower authorities and submitted that the assessee was provided sufficient opportunities but failed to avail the same and, therefore, no interference is called for.

8. We have heard the rival submissions and perused the material available on record. It is an undisputed fact that the assessment has been completed under section 144 of the Act and the ld. CIT(A) has also decided the appeal ex parte. From the impugned order, it is evident that the addition has been sustained primarily on account of non-compliance by the assessee and absence of supporting evidence.

9. In our considered view, the principles of natural justice require that a fair and adequate opportunity be provided to the assessee to present his case. The issue involved relates to additions on account of cash deposits, which requires proper examination of facts, evidence, and explanation regarding the nature and source of such deposits.

10. Considering the entirety of facts and circumstances of the case, and in the interest of substantial justice, we deem it appropriate to set aside the impugned order of the ld. CIT(A) and

restore the matter to the file of the Assessing Officer for de novo adjudication. The Assessing Officer shall examine the issue afresh after affording an adequate and reasonable opportunity of being heard to the assessee and after considering all evidence that may be placed on record.

11. However, we also take note of the fact that the assessee has not properly pursued the proceedings before the lower authorities. Therefore, to balance the equities, we deem it fit to impose a cost of Rs. 15,000/-, which the assessee shall deposit in the Poor Relief Fund, PGI, within a period of four weeks from the date of receipt of this order. The Assessing Officer shall proceed with the set aside proceedings only upon production of proof of such deposit.

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

Order Pronounced in the open Court on 06.04.2026

Sd/-

**(KRINWANT SAHAY)**

लेखा सदस्य/ ACCOUNTANT MEMBER

*Rkk*

“आर.के.”

Sd/-

**(LALIET KUMAR)**

न्यायिक सदस्य /JUDICIAL MEMBER

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

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