

**आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ “एकल” चण्डीगढ़  
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH  
BENCH “SMC” CHANDIGARH**

**श्री संजय गर्ग, न्यायिक सदस्य  
BEFORE: SH. SANJAY GARG, JUDICIAL MEMBER**

आयकर अपील सं./ ITA No.453/CHD/2025

निर्धारण वर्ष / Assessment Year : 2017-18

|                                                               |      |                                                    |
|---------------------------------------------------------------|------|----------------------------------------------------|
| Euro Steels,<br>Shop No.50 B.D. Complex,<br>Mandi Gobindgarh. | बनाम | The JAO,<br>Income Tax Office,<br>Ward-1, Sirhind. |
| स्थायी लेखा सं./PAN NO: AACFE1182H                            |      |                                                    |
| अपीलार्थी/Appellant                                           |      | प्रत्यर्थी/Respondent                              |

निर्धारिती की ओर से/Assessee by : Shri Sudhir Sehgal, Advocate

राजस्व की ओर से/ Revenue by : Shri Vivek Vardhan, Addl. CIT, Sr.DR

सुनवाई की तारीख/Date of Hearing : 06.11.2025

उद्घोषणा की तारीख/Date of Pronouncement : 07.11.2025

**PHYSICAL HEARING**

**आदेश/ORDER**

The present appeal has been preferred by the assessee against the order dated 26.07.2024 of the Commissioner of Income Tax (Appeals) NFAC, Delhi [in short ‘the CIT (Appeals)] pertaining to 2017-18 assessment year.

2. The appeal is time barred by 177 days. A separate application for condonation of delay has been filed.

Considering the averments made in the application and after hearing the ld. DR, the delay in filing the present appeal is hereby condoned.

3. The assessee in this appeal has taken the following grounds of appeal :

*"1. That the Ld. CIT(A) has erred in passing the ex-parte order by confirming the order of Assessing Officer and thereby confirming the addition of Rs. 17,29,000/- on account of cash deposit in the regular bank account of assessee and confirming another addition of Rs. 22,25,897/- on account of credit entries in the bank account.*

*2. That no notice on physical mode was sent to the assessee concerned as the said company stood closed on 31.03.2014 and no business under the above said name was being carried on by the assessee company and, thus, there was reasonable and sufficient cause in not attending the proceedings before the CIT(A).*

*3. That some of the notices were sent on the email.id of the counsel of the assessee concerned and, lateron, on the email. Id of the assessee concerned and since neither the counsel intimated to assessee and also since the firm had closed its business as on 31.03.2014 and, as such, the assessee could not access to his email.id and, as such, he was not aware about such hearings of the notices.*

*4. Notwithstanding the above said ground, the Ld. CIT(A) has erred in confirming the addition, without discussing on merits of the case and, thus, the order as passed by the Ld. CIT(A) deserves to be set aside since no decision has been given on merits.*

*5. Notwithstanding the above said ground of appeal, the confirmation of addition of Rs. 17,29,000/- as per para 4 of the order of the Ld. CIT(A) is against the facts and circumstances of the case.*

*6. That the confirmation of addition of Rs. 22,25,897/- on account of credits in the bank account of the assessee through banking channel is against the facts and circumstances of the case since this was realization from old debtors.*

*7. That the confirmation of addition is against the facts and circumstances of the case.*

4. The ld. AR of the assessee, at the outset has stated that in this case the assessee has assailed the action of the lower authorities relating to the addition made of Rs.17,29,000/- on account of cash deposits and further of Rs.22,25,897/- on account of estimation of business profit in respect of the credit entries in the bank account. The ld. AR has stated at bar that as per the instructions of his client, he does not press the ground relating to addition of Rs.22,25,897/-. Therefore, the ground taken by the assessee contesting the addition of Rs.22,25,897/- is dismissed being not pressed.

5. Now the sole ground which requires adjudication in this case is relating to the validity of the addition of Rs.17,29,000/- on account of unexplained cash credits in the bank account of the assessee. The ld. counsel for the assessee has demonstrated that the aforesaid cash deposits were out of earlier cash withdrawals. There was a small gap of only 3 to 4 days between the withdrawals and cash deposits. Moreover, the ld. Counsel has submitted that the profit has been estimated by the AO @ 2% in relation to the credit entries into the bank account of the assessee. Therefore, no further addition otherwise was required.

6. The ld. DR could not rebut the evidence in the shape of bank statement of the assessee showing that the cash deposits in question of Rs.17,29,000/- were infact redeposit of the cash withdrawals made by the assessee. The assessee has explained that the aforesaid cash was withdrawn for business purposes, however, since the amount was not required, the same was immediately re-deposited in the bank account and that the same was not out of any explained income of the assessee. I find force in the contention of the ld. AR. Therefore, the impugned addition of Rs.17,29,000/- made by the lower authorities is not sustainable and the same is, accordingly, ordered to be deleted.

7. The appeal of the assessee stands partly allowed.

Order pronounced on 07<sup>th</sup> November,2025.

Sd/-

( संजय गर्ग )

(SANJAY GARG )

न्यायिक सदस्य/ Judicial Member

“Poonam”

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

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

Assistant Registrar