

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ “बी”, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH “B”, CHANDIGARH

HEARING THROUGH: PHYSICAL MODE

श्री ललित कुमार, न्यायिक सदस्य एवं श्री कृणवन्त सहाय, लेखा सदस्य
BEFORE: SHRI. LALIET KUMAR, JM & SHRI. KRINWANT SAHAY, AM

आयकर अपील सं. / ITA Nos. 674 & 675/Chd/ 2025
निर्धारण वर्ष / Assessment Year : 2018-19 & 2019-20

Manmohan Singh & Sons Shop No. 1, Bansal Complex, First Floor, Gill Road, Ludhiana-141003, Punjab	बनाम	CIT(A) Ludhiana
स्थायी लेखा सं. / PAN NO: AAFHM9079L		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारिती की ओर से/Assessee by : None
राजस्वकी ओर से/ Revenue by : Shri Rajat Kumar Kureel, CIT, DR

सुनवाई की तारीख/Date of Hearing : 08/01/2026
उद्घोषणा की तारीख/Date of Pronouncement : 09/01/2026

आदेश/Order

PER LALIET KUMAR, J.M:

Both the above appeals have been filed by the Assessee against the separate orders of the Ld. CIT(A)/NFAC, Delhi each dt. 13/02/2025 pertaining to Assessment Years 2018-19 & 2019-20 respectively.

2. At the outset, the Registry has pointed out that both the above appeals are barred by limitation by seven days, for which the assessee has filed separate applications seeking condonation of delay. Considering the reasons explained therein and in the interest of substantial justice, the delay of seven days in both the appeals is hereby condoned, and the appeals are admitted for adjudication.

3. Since the issues involved in both the above appeals are common and the matters were heard together, they are being disposed of by this consolidated order for the sake of convenience and brevity.

4. We shall now take up the appeal of the assessee in ITA No. 674/Chd/2025 pertaining to the Assessment Year 2018-19 as the lead case for discussion, wherein the assessee has raised the following grounds:

1. The order of the CIT(A) is bad in law. is against the facts of the case, and misinterpreting provisions of law and judicial precedents. The learned CIT(A) has ignored the evidence placed on record and arrived at his assessment order in arbitrary manner and based on guesswork.
2. The Ld AO observed that there are total credit entries of Rs.69659418 in the bank account of the assessee . The AO noted that sales shown by the assessee are Rs.62102710. He thus treated the remaining credit entries of Rs.7556708 as unexplained and addition to this extent was made under section 69A of the income.

That with reference to objection raised in notice dated- 18/01/2023, the difference of credit entries is explained as below which can be verified with bank statement and balance sheet.

Date	Bank a/c of M/s Punjab Metallize		Amount	Remark
	From	To		
25.08.2017	Yes Bank	SBI	925000	
31.08.2017	Yes Bank	Yes Bank	460000	
04.10.2017	Yes Bank	Yes Bank	50000	
18.10.2017	SBI	Yes Bank	70000	
21.11.2017	Yes Bank	Yes Bank	40000	
23.11.2017	Yes Bank	Yes Bank	700000	
29.11.2017			57137	Cheque return
29.11.2017			50000	Cheque return
29.11.2017			58414	Cheque return
13.02.2018	Yes Bank	Yes Bank	500000	
13.12.2018	Yes Bank	Yes Bank	75000	
22.12.2017			100000	Cheque return
27.03.2018	Yes Bank	Yes Bank	500000	
23.03.2018	Yes Bank	Yes Bank	550000	
25.03.2018			58033	Cheque return
25.03.2018			924737	Cheque return
28.03.2018	Yes Bank	Yes Bank	50000	
Received from Smt Swaranjit Kaur			1500000	
received from Sh. Manmohan Singh			880000	
Total			7548321	

4. That the Ld. CIT(A) has failed to appreciate that the books of accounts have been accepted and not rejected u/s 145(3).

5. Notwithstanding the above said ground of appeal, since the sales made by the assessee have been accepted as per books of accounts and, as such, the addition made u/s 69 to the tune of Rs. 75,56,708/- is not proper when all the purchases and sales have been accepted.

6. That the appellant reserves its right to amend, add or alter any grounds of appeal before the final hearing of the case.

5. Despite service of notice, none appeared on behalf of the assessee at the time of hearing. There was also no request for adjournment. Therefore, the appeal is taken up for hearing ex-parte qua the assessee and is disposed of after hearing the Ld. DR and perusing the material available on record.

6. Briefly, the facts of the case are that the assessee, a HUF, filed its return of income for Assessment Year 2018-19 on 08.11.2018 declaring total income of Rs. 4,97,078/-. Based on information flagged in the Insight Portal regarding high-risk transactions, it was noticed that the assessee had credit transactions of Rs. 6,96,59,418/- in its current account maintained with Yes Bank during the relevant previous year. Accordingly, the case was reopened under section 147 of the Income-tax Act, 1961, by issuance of notice under section 148. In response thereto, the assessee filed return of income declaring income of Rs. 4,97,080/-.

6.1 During the course of assessment proceedings, the Assessing Officer observed that the assessee had declared sales of Rs. 6,21,02,710/-, whereas the total credit entries in the bank account amounted to Rs. 6,96,59,418/-, leaving a difference of Rs. 75,56,708/-. The Assessing Officer issued show cause notices calling upon the assessee to explain the nature and source of the said difference. However, according to the Assessing Officer, the assessee failed to furnish satisfactory explanation or supporting documentary evidence to explain the excess credit entries. Consequently, the Assessing Officer treated the amount of Rs. 75,56,708/- as unexplained money under section 69A of the Act and completed the assessment under section 147 read with section 144B by assessing the total income at Rs. 80,53,788/-.

7. Against the order of the AO the assessee went in appeal before the Ld. CIT(A). The Ld. CIT(A) issued several notices fixing the appeal for hearing. However, as recorded by the Ld. CIT(A), the assessee did not file any written submissions or documentary evidence and failed to respond to the notices issued during the appellate proceedings. The Ld. CIT(A), after noting the continued non-compliance on the part of the assessee and after perusing the assessment order and material available on record, upheld the action of the Assessing Officer and dismissed the appeal, confirming the addition of Rs. 75,56,708/- made under section 69A of the Act.

8. Against the order of the Ld. CIT(A) the assessee preferred an appeal before the Tribunal.

9. During the course of hearing the Ld. DR supported the orders of the lower authorities and submitted that the assessee was provided with sufficient opportunities at all stages but chose not to avail the same. It was contended that the addition was rightly made and confirmed due to complete failure of the assessee to discharge the onus cast upon it.

10. We have carefully considered the submissions of the Ld. DR and perused the material available on record. It is evident that the assessee remained non-cooperative both during the assessment proceedings as well as during the first appellate proceedings. At the same time, we find that the addition has been made on the basis of difference between bank credit entries and declared turnover, which essentially requires factual verification, reconciliation of bank statements, examination of books of account, and supporting evidences, if any. In our considered view, in order to meet the ends of justice, the matter deserves to be examined afresh at the level of the Assessing Officer, subject to appropriate safeguards to discourage non-compliance.

10.1 However, considering the conduct of the assessee and the fact that judicial time has been consumed due to repeated non-appearance, we deem it appropriate to impose a cost while granting another opportunity.

Accordingly, we set aside the order of the Ld. CIT(A) and restore the matter to the file of the Assessing Officer for fresh adjudication in accordance with law.

10.2 The remand is made subject to the condition that the assessee shall deposit a sum of Rs.3,000/- (Rupees Three Thousand only) in the PM CARES Fund within one month from the receipt of this order and shall furnish proof of such deposit before the Assessing Officer. The deposit of the aforesaid amount shall be a pre-condition for the Assessing Officer to proceed with the remand proceedings. In case of failure to comply with the above direction within the stipulated time, the Assessing Officer shall be at liberty to proceed in accordance with law on the basis of material available on record, without granting any further opportunity. It is clarified that we have not expressed any opinion on the merits of the addition, and all issues are left open.

11. In the result, the appeal of the assessee is allowed for statistical purposes, subject to payment of cost as directed above.

12. Since the facts and circumstances of other appeal i.e ITA No. 675/Chd/2025 are exactly identical to the Appeal in ITA No. 674/Chd/2025 and similar contentions raised therein may be considered, therefore, our findings and directions given in ITA No. 674/Chd/2025 shall apply *mutatis mutandis* to other appeal as well, which are accordingly allowed for statistical purposes subject to the payment of cost of Rs.3,000/- (Rupees Three Thousand only) in the PM CARES Fund within one month from the receipt of this order.

13. In the result, both the above appeals are allowed for statistical purposes.

Order pronounced in the open Court on 09/01/2026

Sd/-

कृणवन्त सहाय
(KRINWANT SAHAY)

Sd/-

ललित कुमार
(LALIET KUMAR)

लेखा सदस्य/ ACCOUNTANT MEMBER**न्यायिक सदस्य/JUDICIAL MEMBER****AG**

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

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

आदेशानुसार/ By order,
सहायकपंजीकार/ Assistant Registrar