IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER AND
SMT. RAJANI GUDURI, JUDICIAL MEMBER

I.T.A. No. 55/RAN/2026
(Assessment Year: 2020-21)
(Physical Hearing)

I.T.O., Ward-1(1), Ranchi.	Vs.	Anisur Rahman, 100, Church Road, Ranchi-834001 (Jharkhand) **PAN No. ADZPR 4890 H**
Appellant/ Revenue		Respondent/ Assessee

Department represented by	Shri Ashish Kumar Deharia, CIT-DR
Assessee represented by	None
Date of hearing	08/10/2026
Date of pronouncement	15/10/2026

O R D E R

PER: BENCH

1. This appeal by the revenue is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi [in short, ld. CIT(A)] dated 14/11/2025 for the Assessment Year (AY) 2020-21. The revenue has raised following grounds of appeal:

> *"1. The Ld. CIT(A) has erred in deleting the addition of unexplained cash deposits of Rs. 10,94,38,939/- in the Punjab National Bank account of the in the name of JS Traders, Prop Anisur Rahman having PAN number of the assessee on the ground that assessee's brother has a GST Registration in the name of JS Traders and relying on turnover Rs. 5,49,59,520/- disclosed in brother's ITR disregarding the fact that the brother is a distinct person with a different PAN and hence bank account of assessee cannot be the Bank account of the brother.*
> *2. Ld. CIT(A) has erred in treating the Bank account as belonging to a proprietorship JS traders and relying upon the coincidence of the*

assessee's brother holding a GST Registration in the name of Proprietorship JS Traders and relying upon turnover shown in assessee's brother's Income Tax Return to delete the addition of unexplained cash deposits of Rs. 10,94,38,939/- in the PNB account of the assessee.

3. *Without prejudice, CIT(A) has erred in disregarding the fact that a proprietorship has no legal existence separate from its owner and merely mentioning a so called proprietorship cannot alter the identity of the bank account holder, that is, the assessee; who will have to account for cash deposits in his bank account.*
4. *Without prejudice, the CIT(A) has erred in deleting the entire addition of Rs. 10,94,38,939/-when even the combined turnover disclosed by both assessee and his brother amount to Rs. 6,17,48,520/-.*
5. *Any other grounds as may be raised."*

2. Facts of the case, in brief, are that the assessee has filed his return of income under Section 139(1) of the Income Tax Act, 1961 (in short, the Act) for the A.Y. 2020-21 at a total income of ₹ 4,99,000/-. In the ITR, it was noticed by the Assessing Officer that the assessee has declared a gross turnover of ₹ 67,89,000/- and declared a presumptive business income under Section 44AD of the Act at ₹ 5,49,000/-. Further, on analysis of PNB Bank statement of the assessee, it was found by the Assessing Officer that the assessee has made total deposits amounting to ₹ 11,62,27,939/- in PNB account bearing Account No.4787002100000881. The Assessing Officer, therefore, initiated reopening proceedings under Section 147 of the Act after taking approval from the competent authority under Section 151 of the Act and after following due procedure of law as provided under Section 148A(b) and 148A(d) of the Act and notice under Section 148 of the Act was issued and served on the assessee on 31/03/2024. Regarding the cash deposits of ₹10,94,38,939/-, made in the PNB bank account No. 4787002100000881,

the account was found to be in the name of J S Traders, Prop: Anisur Rahman. In response to show cause notice issued by the Assessing Officer dated 29/11/2024, *"the assessee submitted all the details asked in the Compliance e-Campaign insight portal before the expiry of time. That the GST Registration Number of the proprietary concern is 20ABSPR7449H1Z7. Which has been registered in the PAN (ABSPR7449H) of my elder brother Shafiqur Rahman. That the Financial Report and Audit of the Business was filed in the PAN (ABSPR7449H) of Shafiqur Rahman. That the profit/loss of the business was declared in the PAN(ABSPR7449H) of Shafiqur Rahman. That the Gross receipts and Income declared on it has been clearly reflected in the Profit and Loss Account of the J.S. Traders. That my contention is that my elder brother has already paid tax on the Gross Receipts of Rs 5,49,59,520 /- and Income declared in the profit and loss account was 9,04,449/-. That I will never consider Cash Deposit Rs 4,38,19,991/- as receipt in my I.T.R. because my elder brother has already booked cash deposit of Rs 4,38,19,991 as receipt in his Books of Accounts. That I denied the contention of officer to assessed the income of Rs 29,62,479/-. That I had no escaped Business Income or undisclosed income pending in F.Y 2019-20 to be shown in my books of accounts. That I also denied the show cause notice issued to me on 29/11/2024 for the proposed variance of income made by the Assessment Unit of Income Tax department".*

The Assessing Officer considered the reply of the assessee, however, he did not accept the same and held that the assessee has failed to prove the

genuineness of his claims that the bank account belongs to someone else and therefore, a sum of ₹ 10,94,38,939/- was added under Section 69A r.w.s 115BBE of the Act.

3. Aggrieved by the order of the Assessing Officer, the assessee filed appeal before the ld. CIT(A), who vide the impugned order dated 14/11/2025, allowed the appeal of the assessee by holding that from the evidence that was submitted before him, it appears that the bank account No.4787002100000881 with Punjab National Bank linked to the PAN of the appellant is considered in the books of JS Traders which is a proprietary concern of Shafiqur Rehman. The ld. CIT(A) also found that the GST registration of JS Traders shows it is a proprietary concern of Shafiqur Rahman even the PAN is also linked to the JS Traders. ITR filed by Shafiqur Rahman was also produced. So, after giving due consideration of the entire facts, the Ld. CIT(A) held that the said bank account does not belong to the assessee and it belongs to some JS Traders, the proprietor of which is his brother Shafiqur Rahman and not the assessee and therefore, no addition can be made in the hands of the assessee.

4. Further aggrieved by the order of the ld. CIT(A), the revenue is in appeal before this Tribunal.

5. During the appellate proceedings before us, the ld. CIT-Departmental Representative has filed written submissions as under:

> *"1. The undersigned, Departmental Representative appearing for the Revenue, respectfully submits that the Ld. CIT(A) erred in deleting the*

entire addition of Rs. 10,94,38,939/- made u/s 69A of the Act on account of unexplained deposits in PNB Account No. 4787002100000881, which stands in the respondent-assessee's own name and PAN. The deletion rests on a single premise that the account "appears" to belong to J.S. Traders, a proprietorship of the assessee's brother - which is contrary to the record, to the law, and to the assessee's own return. The Revenue relies on the grounds of appeal and the following submissions.

A. *Brief facts*

2. *The assessee, an individual, filed ITR-4 for AY 2020-21 declaring total income of Rs. 4,99,000/-, with gross turnover (cash mode) of Rs. 67,89,000/- and presumptive income of Rs. 5,49,000/- u/s 44AD.*
3. *Information showed substantial deposits in PNB Account No. 4787002100000881. The case was reopened u/s 148 on 31.03.2024 after approval u/s 151. The statement obtained from PNB u/s 133(6) shows the account title as "J S Traders Prop Anisur Rahman", opened and operated on the assessee's PAN ADZPR4890H.*
4. *The assessee did not respond to notice u/s 142(1) dated 05.07.2024, to the reminder dated 16.10.2024, or to the show-cause notice u/s 144 dated 25.11.2024. Only in reply to the SCN dated 29.11.2024 did he file a part reply (01.12.2024), claiming that the receipts were declared by his elder brother Shri Shafiqur Rahman (PAN ABSPR7449H), who holds GSTIN 20ABSPR7449H1Z7 for "J.S. Traders". No ITR, audit report, books or bank statements of the brother were produced.*
5. *The AO held the claim unsubstantiated and added Rs. 10,94,38,939/- (deposits of Rs. 11,62,27,939/- less turnover declared of Rs. 67,89,000/-) as unexplained money u/s 69A r.w.s. 115BBE.*
6. *Before the Ld. CIT(A), the assessee filed fresh evidence the GST registration and the brother's ITR for AY 2020-21 (returned income Rs. 8,24,450/-, turnover of J.S. Traders Rs. 5,49,59,520/-). A remand report was called for on 13.10.2025 but not received by the time of decision. The Ld. CIT(A) recomputed the credits at Rs. 5,77,58,115/- (cash Rs. 4,35,85,991/-), held at para 6.4 that the account "appears" to be considered in the books of J.S. Traders, and deleted the entire addition.*

B. Grounds 1 to 3 The account is the assessee's; the burden to explain its deposits is his

7. The account holder is the assessee, by his own admission. The bank's KYC record and the 133(6) statement show the account as "J S Traders, Prop Anisur Rahman" under PAN ADZPR4890H. In his Statement of Facts (Form 35) the assessee himself states that the account "uses my PAN" and that "that's why that Bank Account was running in my name". The declaration of proprietorship made to the bank is the assessee's, not his brother's. Money lying in an account in one's own name and PAN is money of which he is the "owner" within the meaning of section 69A.

8. A proprietorship has no legal existence apart from its proprietor. The trade name "J.S. Traders" is not a person under section 2(31). The Hon'ble Supreme Court in Ashok Transport Agency v. Awadhesh Kumar (1998) 5 SCC 567 held that a proprietary concern is only the business name under which the proprietor carries on business. Therefore an account titled "J.S. Traders, Prop. Anisur Rahman" is in law the account of Anisur Rahman. The Ld. CIT(A) treated the trade name as though it were a separate entity that could be transferred to another PAN, which is legally untenable.

9. The brother's GST registration does not change the identity of the account holder. The same trade name can be used by two different persons. A GSTIN in the brother's name proves only that the brother registered that name for GST; it does not prove that the bank account opened by the assessee on his own PAN, declaring himself as proprietor, belongs to the brother. No document from the bank, no mandate or authority in favour of the brother, and no evidence that the brother operated the account was produced.

10. The assessee's own return contradicts his case. The assessee admits in Form 35 that he computed his turnover of Rs. 67,89,000/- as 12.35% of the sales of J.S. Traders (12.35% of Rs. 5,49,59,520/- Rs. 67,87,500/-), and that he has no source of income other than the business of J.S. Traders. If J.S. Traders were exclusively the brother's proprietorship whose entire turnover of Rs. 5.49 crore was offered by the brother, the

assessee could not also offer a slice of the same turnover as his own business. Either:

1. *the assessee is himself a proprietor or co-owner of the business carried on through this account, in which case the onus to explain the deposits rests squarely on him; or*
2. *the same receipts are being shown in two returns in a manner that is not explained.*

Either way, the claim that the account "belongs to the brother" is not established. Further, in Form 35 the assessee says he "along with my brother" carries on the business, which is not the case of a sole proprietorship of the brother.

11. *The test of human probabilities. The Hon'ble Supreme Court in Sumati Dayal v. CIT [1995] 214 ITR 801 (SC) and CIT v. Durga Prasad More [1971] 82 ITR 540 (SC) held that the authorities must look at the surrounding circumstances and apply the test of human probabilities, and are not bound to accept what is apparent on paper. A person who opens a current account on his own PAN as proprietor, routes crores through it, and then claims that it is someone else's business, must establish that claim with cogent evidence. Self-serving documents of a family member, filed for the first time in appeal, do not discharge that burden.*
12. *Onus under section 69A. Once the money is found in the assessee's account, the burden to explain its nature and source is on the assessee: Kale Khan Mohammad Hanif v. CIT [1963] 50 ITR 1 (SC); Roshan Di Hatti v. CIT [1977] 107 ITR 938 (SC). Whether an explanation is satisfactory is a matter for the AO's judgment on the evidence: CIT v. P. Mohanakala [2007] 291 ITR 278 (SC). Here the assessee gave no explanation at all to three notices and only a bare, unsupported claim at the SCN stage.*

C. *Ground 4 - Entire deletion is unsustainable even on figures*

13. *No reconciliation was made. The Ld. CIT(A) did not record any finding that the deposits in this particular PNB account were entered in the books of J.S. Traders, or that the brother's balance sheet shows this account as his bank account. The finding at para 6.4 is expressed only as "it appears". The brother's own bank accounts, cash book and balance sheet*

were never produced. A turnover figure in another person's P&L. account cannot, without reconciliation, be presumed to absorb the deposits of a different person's account.

14. *Combined turnover is lower than the deposits found by the AO. Even accepting both returns, the combined declared turnover is Rs. 6,17,48,520/-(Rs. 5,49,59,520/- + Rs. 67,89,000/-), against deposits of Rs. 11,62,27,939/- determined by the AO. The Ld. CIT(A) substituted his own figure of Rs. 5,77,58,115/- without confronting the AO and without recording why the AO's figure was wrong. Deleting the entire addition, rather than examining the difference, was not justified.*
15. *Inconsistencies left unexamined. The record contains contradictions that the Ld. CIT(A) did not address:*
    - *The assessee's reply dated 01.12.2024 claims the brother's net profit was Rs. 9,04,449/-, whereas the brother's ITR shows returned income of Rs. 8,24,450/-.*
    - *The assessee claims the brother booked cash deposits of Rs. 4,38,19,991/ as receipts, but the brother's turnover and the assessee's own 12.35% share are drawn from the same sales figure.*
    - *The assessee has stated different totals for the deposits in Form 35 (Rs. 5,69,45,214.72) and the Ld. CIT(A) found another figure (Rs. 5,77,58,115/-).*

    These were matters requiring verification, not acceptance.

D. *Infirmities in the order of the Ld. CIT(A)*

16. *Rule 46A not complied with. The Ld. CIT(A) records that the evidence was "not produced before the AO". Under Rule 46A(1), additional evidence can be admitted only in the four situations listed there, and Rule 46A(2) requires the CIT(A) to record in writing the reasons for its admission. The impugned order records no such reasons. The assessee was not prevented by any sufficient cause: he ignored three notices during assessment. Admission of the evidence without satisfying Rule 46A vitiates the finding based on it.*
17. *Non-receipt of the remand report did not relieve the CIT(A) of his duty. The powers of the CIT(A) are co-terminous with those of the AO: CIT v.*

Kanpur Coal Syndicate [1964] 53 ITR 225 (SC); Jute Corporation of India Ltd. 2. CIT [1991] 187 ITR 688 (SC). Section 250(4) empowers him to make further enquiry himself. Having found that verification was needed, the Ld. CIT(A) was bound to verify the books of J.S. Traders, the bank-wise reconciliation and the brother's balance sheet. Instead, he accepted the documents at face value and deleted Rs. 10.94 crore on a finding that the account only "appears" to be included in another person's books.

18. *Proceedings were ex parte. The assessee did not respond to the hearing notices of 28.08.2025, 15.09.2025 and 23.09.2025 before the Ld. CIT(A). The deletion was therefore made without testing the evidence through either party.*

E. Case laws relied upon

No.	*Case*	*Citation*	*Proposition*
1.	*Ashok Transport Agency Vs Awadhesh Kumar*	*(1998) 5SCC 567 (SC)*	*A proprietary concern is only a business name; it has no existence apart from the proprietor.*
2.	*CIT Vs Durga Prasad More*	*(1971) 82 ITR 540 (SC)*	*Authorities may look behind the apparent and examine surrounding circumstances.*
3.	*Sumati Dayal Vs CIT*	*(1995) 214 ITR 801 (SC)*	*Claims must be tested on human probabilities*
4.	*Mohammad Hanif Vs CIT*	*(1963) 50 ITR 1 (SC)*	*Onus to explain nature and source of amounts is on the assessee.*
5.	*Rohan Di hatti Vs CIT*	*(1977) 107 ITR 938 (SC)*	*Burden of proving source of receipts lies on the assessee.*
6.	*CIT Vs P. Mohanakala*	*(2007) 291 ITR 278 (SC)*	*Satisfaction of the AO on the explanation must rest on the material on record.*
7.	*CIT Vs Kanpur Coal Syndicate*	*(1964) 53 ITR 225 (SC)*	*Powers of the first appellate authority are co-terminous with those of the AO*
8.	*Jute Corporation of India Ltd. Vs CIT*	*(1991) 187 ITR 688 (SC)*	*Appellate authority has plenary powers to do what the AO could do.*

The undersigned will produce copies of these judgments at the hearing if required.

F. Prayer

19. In view of the above, it is respectfully prayed that the Hon'ble Bench may be pleased to:

1. set aside the order of the Ld. CIT(A) dated 14.11.2025 and restore the addition of Rs. 10,94,38,939/- made by the AO u/s 69A r.w.s. 115BBE; or, in the alternative,

2. restore the matter to the file of the AO for fresh examination of the additional evidence in compliance with Rule 46A, with a direction to the assessee to produce the books of J.S. Traders, the brother's bank statements and balance sheet, and a bank-wise reconciliation of the deposits in PNB Account No. 4787002100000881; and

3. pass any other order deemed fit in the interest of justice."

6. Before us, no one appeared on behalf of the assessee to represent his case.

7. We have carefully considered the submissions of the ld. CIT-Departmental Representative and have also perused the material on record and the orders of the revenue authorities and we find that the ld. CIT(A) has asked for a remand report from the Assessing Officer but the Assessing Officer failed to produce the remand report and on verification, the ld. CIT(A) found that all the transactions were made in the name of JS Traders, the proprietor of which is Shafiqur Rehman, who is the brother of the assessee and the GST Registration and PAN also linked to the JS Traders and not the assessee. Thus, in the absence of that, the ld. CIT(A) has rightly held that the addition cannot be made in the hands of the assessee and therefore, he allowed the appeal of the assessee. After giving due consideration of the entire facts of the case, we are also having the same opinion that the addition of ₹10,94,38,939/- cannot be made in the hands of the assessee once the identity of the party i.e. JS Traders, proprietor Shri Shafiqur Rehman is

established. Hence, we find no infirmity in the order of the ld. CIT(A) and we uphold the same.

8. In the result, this appeal of the revenue stands dismissed.

Order pronounced in open court on 15/10/2026.

Sd/-	Sd/-
(RAJANI GUDURI)	(RATNESH NANDAN SAHAY)
JUDICIAL MEMBER	ACCOUNTANT MEMBER

Ranchi, Dated: 15/10/2026
**Ranjan*
Copy to:
1. Assessee
2. Revenue
3. CIT
4. DR
5. Guard File

By order

Sr. Private Secretary, ITAT, Ranchi