

आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर  
**IN THE INCOME TAX APPELLATE TRIBUNAL,**  
**INDORE BENCH, INDORE**  
**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER**  
**AND SHRI MANISH BORAD, ACCOUNTANT MEMBER**

**ITA No.564/Ind/2017**  
**Assessment Year: 2008-09**

Shri Vishnu Murlidhar Pawar, Village Manjrod, Burhanpur (M.P)		ITO, Burhanpur
(Appellant)		(Respondent )
PAN No.BMMPP1697K		

Revenue by	Shri P.K. Mitra, Sr.DR
Assessee by	Shri S.S. Deshpande,C.A
Date of Hearing	12.10.2018
Date of Pronouncement	17.10.2018

**ORDER**

**PER MANISH BORAD, AM.**

This appeal of Assessee pertaining to A.Y. 2008-09 is directed against the order of Ld. Commissioner of Income Tax(Appeals)-II, Indore (in short 'CIT(A)'), dated 01.05.2017 which is arising out of the order u/s 143(3) of the Income Tax Act 1961(hereinafter called as the 'Act') framed on 02.12.2010 by ITO, Burhanpur.

2. The assessee has raised following grounds;

*“1. The Ld.CIT(A) has erred in upholding the income of Rs.5,20,830/- on account of alleged income from money lending.*

*2. It was proved before the Ld. Authorities that the assessee had provided the financial assistance for very short period to the small agriculturalist for regularizing the KCC accounts and no interest was earned by the assessee. All the agriculturalist have confirmed the same by the affidavit and the statements given before the Ld.A.O.*

*3. The addition made by the Ld.A.O may please be deleted.*

*4. The assessee prays to alter, amend, add or delete ant of the grounds of appeal”*

3. Brief facts of the case as culled out from the records are that assessee is an individual having only source of income from agriculture. The income tax return filed on 18.06.09. Agriculture income of Rs.8,00,000/- was disclosed. Case picked up for scrutiny on the basis of AIR information. Notice u/s 143(2)of the Act was served upon the assessee. Necessary details as called for were submitted. Ld.A.O on perusal of the saving bank account held by the assessee with Bank of India, Khaknar noticed that during the financial year under appeal cash of Rs.53,89,500/- was deposited on various dates. There were regular withdrawals also. It was contended by the

assessee that interest free the alleged cash deposits are having their source from agriculture income and accumulated income of preceding years. It was also contended that loans were given to friends and relatives for short period in order to help them in their agriculture operations. Ld.A.O however took the view that the assessee is engaged in money lending business besides earning agriculture income. On the basis of bank account and cash deposited at various dates, Ld.A.O calculated a peak debit balance of Rs.4,65,024/- treating it as undisclosed investment in money lending business. Ld.A.O also calculated interest income of Rs.55,803/- on the alleged unaccounted investment and made addition of Rs.5,20,827/- to NIL income shown by the assessee. In the result agriculture income assessed at Rs.8,00,000/- and total income other than agriculture income at Rs.5,20,830/-. Aggrieved assessee preferred appeal before Ld.CIT(A) but failed to succeed as the view taken by the Ld.A.O was confirmed by the Ld.CIT(A).

4. Aggrieved assessee now is in appeal before the Tribunal.

5. At the outset Ld. Counsel for the assessee reiterated the submissions made before the lower authorities and submitted that there was sufficient source of cash deposited on various dates at bank account and no addition was called for unaccounted investment and he also submitted that no interest income was earned.

6. Per contra Ld. Departmental Representative vehemently argued and supported the orders of lower authorities and also pointed out the details filed by the assessee at Page 1(e) to 1(i) of the paper book providing complete person wise details of amounts given and received back during the year.

7. We have heard rival contentions and perused the records placed before us. The assessee being the agriculturalist is regularly earning income from agriculture. During the year agriculture income of Rs.8,00,000/- has been assessed by the Assessing Officer. There were regular transactions of cash deposits and withdrawals as well as amounts given to various persons for short period. Ld.A.O calculated undisclosed investment amount of Rs.4,65,024/-. Apart from adding it to

the income to the income of the assessee. Ld. A.O also made the addition for interest income of Rs.55,803/-.

8. Perusal of the bank statement shows that there was an opening balance of Rs.2,28,946/-. Assessee has declared agriculture income of Rs.8,00,000/- during the year. It is also not disputed that the assessee has been regularly earning income from agriculture in the past. There is no material available with the Revenue authorities to prove that the assessee received cash from unexplained sources other than agriculture income. However it is true that the assessee has given short term advances to various persons and there are around 19 persons to whom the assessee has paid the amount on credit for short period not exceeding 12 months.

9. In these given facts and circumstances of the case, we are of the considered view that as far as the addition on unaccounted investment is concerned the assessee had sufficient accumulated funds, opening bank balance as well as income earned during the year which could justify the source of the cash deposited on various dates and also to explain the

source of alleged unaccounted investment of Rs.4,65,024/- and in our view the same needs to be deleted. As regards the interest income addition is concerned, we do not find any reason to interfere in the findings of the lower authorities as no plausible reasons have been given by the Ld. Counsel for the assessee for giving such short term advances which are ranging from 1 month to 6 month without changing any interest and therefore the addition for alleged interest income of Rs.55,083/- needs to be confirmed.

10. In the result Ground No. 1 & 2 of the appeal of the assessee is partly allowed and Ground No.3 & 4 are general in nature which needs no adjudication.

11. In the result appeal of the assessee is partly allowed.

The order pronounced in the open Court on 17.10.2018.

Sd/-

Sd/-

**( KUL BHARAT )**  
**JUDICIAL MEMBER**

**(MANISH BORAD)**  
**ACCOUNTANT MEMBER**

दिनांक /Dated : 17 October, 2018  
/Dev

Vishnu Murlidhar Pawar  
ITA No.564/Ind/2017

Copy to: The Appellant/Respondent/CIT concerned/CIT(A)  
concerned/ DR, ITAT, Indore/Guard file.

By order  
Asstt.Registrar,I.T.A.T., Indore