

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAJKOT BENCH, RAJKOT  
(Conducted through E-Court at Ahmedabad)**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER &  
SHRI SIDDHARTHA NAUTIYAL, JUDICIAL MEMBER**

I.T.A. No.165/Rjt/2023  
(Assessment Year: 2017-18)

Randebhai Arjanbhai Modhvadiya. 126(3), Vadi Vistar Miyani Porbandar, Gujarat-360579 <b>[PAN No.DCZPM8328H]</b>	Vs.	Income Tax Officer Ward-2(4), Porbandar
<b>(Appellant)</b>	..	<b>(Respondent)</b>

<b>Appellant by :</b>	Shri Vimal Desai, A.R.
<b>Respondent by:</b>	Shri V. J. Boricha, Sr. DR

<b>Date of Hearing</b>	04.10.2023
<b>Date of Pronouncement</b>	13.10.2023

**ORDER**

**PER SIDDHARTHA NAUTIYAL, JM:**

This appeal has been filed by the assessee against the order passed by the Ld. Commissioner of Income Tax(Appeals), (in short “Ld. CIT(A)”), National Faceless Appeal Centre (in short “NFAC”), Delhi in DIN/Order No. ITBA/NFAC/S/250/2022-23/1051064707(1) vide order dated 21.03.2023 passed for Assessment Year 2017-18.

2. The assessee has taken the following grounds of appeals:-

“1. The Income Tax Officer have erred on facts and in law in making addition of Rs. 8,00,000/- u/s 69A of the Income Tax Act, 1961 considering the cash deposited in bank as unexplained. The ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi have erred on facts and in law in confirming the same.

2. *Your Honour's appellant craves leave to add, to amend, alter, or withdraw grounds of appeal on or before the hearing of appeal."*

3. The brief facts of the case are that during the impugned year under consideration, the assessee had deposited a sum of Rs. 15,00,000/- in his bank account during demonetization period. The said cash deposit of Rs. 15,00,000/- was made by the assessee on 14.02.2016 during demonetization period. During the course of assessment, the Assessing Officer asked the assessee to explain the source of the aforesaid cash deposit. The assessee submitted that the source of this cash deposit was agricultural income of the assessee for the year under consideration, amount received from his wife and also earlier year's agricultural income, which were the savings of the assessee on hand. Keeping in light the submissions made by the assessee, the AO estimated Rs. 5,00,000/- as the assessee's saving from past year and estimated Rs. 2,00,000/- as the agricultural income of the assessee for the current and brought to tax the balance amount of Rs. 8,00,000/- as unexplained money of the assessee under Section 69A of the Act.

4. In appeal, Ld. CIT(A) confirmed the additions with the following observations:-

*"6.7 The above observations of the AO deserve merit. The AO had given benefit of earlier year savings; to the extent of Rs.5,00,000/-. Beyond that, the appellant is coming with an affidavit from his wife without any creditworthiness, is not acceptable and it is only an afterthought. The appellant would have submitted the fact that, his wife had given Rs.3,00,000/- of demonetized currency for deposit, during the assessment proceedings of AY 2016-17 itself. But he has submitted this fact only during the assessment proceedings of AY 2017-18, which is an afterthought as rightly pointed out by*

*the AO and there is a time lag between the stand taken by the assessee during the proceedings of AY 2016-17 and the proceedings of AY 2017-18. It is only construed that the appellant is only trying to change his stand to suit his needs. In view of the above discussions, the addition of Rs.8,00,000/- made by the AO as unexplained money u/s 69A is upheld.”*

5. The assessee is in appeal before us against the order of the Ld. CIT(A) confirming the additions made by the Assessing Officer.

6. Before us, the Counsel for the assessee submitted that the assessee is an agriculturist and the source of cash deposit is the agricultural income for the year under consideration as well as per earlier year's agricultural income and also the amount received by the assessee from his wife Rambhiben Modhvadia, as she does not have any bank account. Before us, the Counsel for the assessee submitted that the assessee is holding more than 55 bighas of productive agricultural land. The details of land holdings of the assessee were given to us in the form of a table. It was submitted that the assessee is an uneducated farmer and did not carry out much banking transactions and largely used to keep cash on hand. Accordingly, once demonetization was declared by the Government, all the cash held by the assessee was deposited in the bank account in one go. Further, it was submitted that for the past three years, the assessee has earned net agricultural income amounting to Rs. 3.96 lakhs (A.Y. 2013-14), Rs. 8.14 lakhs (A.Y. 2014-15) and Rs. 2.72 lakhs (A.Y. 2015-16). Further, the Counsel for the assessee submitted that he has also furnished certificate from Talati cum Mantri in support of agricultural income during the course of assessment proceedings for A.Y. 2017-18. Further, the Counsel for the assessee also submitted copies of agricultural

bills provided to Talati cum Mantri for certification purposes. It was further submitted that the assessee's wife was also having savings amounting to Rs. 3,00,000/- approximately, over the past years but since she did not have any bank account and PAN Card, she gave her money to her husband (assessee) to deposit the same in assessee's bank account. The confirmation of the assessee's wife M/s. Rambhiben Modhvadia was also produced before us for reference. Accordingly, it was submitted that looking into the instant facts, the addition may kindly be directed to be deleted.

7. In response, Ld. D.R. placed reliance on the observation made by the Ld. AO and Ld. CIT(A) in their respective orders.

8. We have heard the rival contentions and perused the material on record. On going through the facts of the instant case, copy of affidavit of M/s. Rambhiben Modhavadia, copies of agricultural produce sales bills for the current years as well as past years, copy of certificate issued by Talati cum Mantri in respect of land holding and agricultural income earned by the assessee, we are of the considered view that the assessee has been able to demonstrate the source of funds deposited in his bank account during the demonetization period. We observe that the facts placed on record by the assessee viz. the proof of the assessee possessing substantial agricultural land holdings, the fact that the assessee has been engaged in agricultural produce for several years, the fact that the agricultural produce sale bills were furnished by the assessee for the present as well as past years and further that, the Talati cum Mantri has

also certified the land holding and agricultural income of the assessee etc. have not been disputed by the Revenue at any stage. In the said certificate dated 20.10.2018, the concerned Talati cum Mantri, Miyani Gram Panchayat has certified that the assessee has earned net agricultural income close to Rs. 14.83 lakhs for the past three assessment years. The contents of the certificate issued by Talati cum Manti dated 20.10.2018 have not been disputed by the Revenue Authorities at any stage. Accordingly, looking into the facts of the instant case, we are of the considered view that the assessee has been able to demonstrate the source of deposits made in his bank account during the demonetization period. Accordingly, the addition made by the Ld. AO is directed to be deleted.

9. In the result, the appeal of the assessee is allowed.

**This Order pronounced in Open Court on**

**13/10/2023**

**Sd/-**

**(WASEEM AHMED)  
ACCOUNTANT MEMBER**

Ahmedabad; Dated 13/10/2023

TANMAY, Sr. PS

**TRUE COPY**

**आदेश की प्रतिलिपि अग्रहित/Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त(अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, राजकोट / DR, ITAT, Rajkot
6. गार्ड फाईल / Guard file.

**Sd/-**

**(SIDDHARTHA NAUTIYAL)  
JUDICIAL MEMBER**

**आदेशानुसार/ BY ORDER,**

**उप/सहायक पंजीकार Dy./Asstt.Registrar)  
आयकर अपीलीय अधिकरण, राजकोट / ITAT, Rajkot**