

IN THE INCOME TAX APPELLATE TRIBUNAL
Mumbai "G" Bench, Mumbai.

Before Justice (Retd.) C.V. Bhadang (President) & Shri B.R. Baskaran (AM)

I.T.A. No. 2846/Mum/2023 (A.Y. 2018-19)

Sunil Dagadu Mhaskar Bungalow No. 353 At & Post Kalundre Near Kalundre Gym Near ONGC Colony Panvel, Pin-410 206 PAN : AEHPM8105R (Appellant)	Vs.	Income Tax Department 6 th Floor, Room No. 10 Road No. 16Z Ashar IT Park Wagle Industrial Estate Thane West Pincode-400 604. (Respondent)
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Assessee by	Shri Khushiram Jadhvani
Department by	Dr. Kishor Dhule
Date of Hearing	06.03.2024
Date of Pronouncement	04.04.2024

O R D E R

Per B.R.Baskaran (AM) :-

The assessee has filed this appeal challenging the order dated 11.7.2023 passed by the learned CIT(A)-11, Pune and it relates to A.Y. 2016-17. The assessee is aggrieved by the decision of the learned CIT(A) in confirming the addition of Rs.19 lakhs relating to agricultural income made by the Assessing Officer.

2. The facts relating to the case are stated in brief. The assessee belongs to Mhatre group which is one of the largest civil contractors in Panvel region. The assessee and his group of companies were subjected to search operations u/s 132 of the Act on 20.9.2017. During the course of search operations in the hands of the assessee, physical cash of Rs.24.37 lakhs was found, out of which a sum of Rs. 22.00 lakhs was seized by the revenue. The AO asked the assessee to explain the sources of the same. The assessee

claimed that the above said cash balance has been accumulated out of the agricultural income earned by the assessee. The Assessing Officer noticed that the assessee has declared agricultural income in various years as under:-

Sr.No.	A.Y.	Amount of agricultural income (as per return of income filed in response to the notice under section 153A of the Ac) [Amount in Rs.]
1	2012-13	1,19,800
2	2013-14	1,30,500
3	2014-15	1,48,153
4	2015-16	1,98,481
5	2016-17	3,57,050
6	2017-18	4,68,200
	TOTAL	14,22,184

However, during the year under consideration, i.e., in AY 2018-19, the assessee declared agricultural income to the tune of Rs. 24,14,860/-.

3. Hence the Assessing Officer took the view that the agricultural income declared during the current year is disproportionate to the income declared in the earlier years. He also noticed that the assessee also failed to submit any documentary evidence to substantiate the generation of such a large amount of agricultural income in AY 2018-19 except furnishing copies of 7/12 land record to show land holdings and carrying on of agricultural activities. Hence, the AO rejected the claim of agricultural income of Rs.24,14,860/- and estimated the agricultural income for the current year at Rs. 5,14,860/-. Accordingly, the AO assessed the difference amount of Rs.19 lakhs (Rs.24,14,860/- minus Rs.5,40,860/-) as unexplained income of the

assessee under section 69A of the Act. The Ld CIT(A) confirmed the same and hence the assessee has filed this appeal before the Tribunal.

4. It may also be noted that the Assessing Officer had made the addition of Rs.16.50 lakhs towards the cash balance found with the assessee at the time of search. However, the said addition was deleted by the learned CIT(A) on the reasoning that the addition of cash balance as well as agricultural income of Rs.19.00 lakhs would result in double disallowance of same income.

5. The Learned AR submitted that the assessee has actually earned agricultural income of Rs.24.14 lakhs during the year under consideration. In this regard, the Ld A.R took us through the copies of 7/12 land records. He also invited our attention to the literatures on growing agricultural produce and also estimated income that could have been earned on cashew farming, coconut farming etc. The Learned AR submitted that the assessee has actually higher agricultural income during the current year. He submitted that the agricultural income declared in the earlier year should not have taken as the basis for estimating lower agricultural income during this year.

6. On the contrary, learned DR submitted that the assessee has not produced any evidence to substantiate claim of earning of agricultural income as declared by the assessee. He submitted that the mere submission of land holding details will not prove the quantum of agricultural income declared by the assessee.

7. We heard the rival contentions and perused the record. We noticed that the assessee has furnished details of land records and did not furnish any evidence with regard to actual cultivation of agriculture produce and sale

thereof. The following observations made by the AO in this regard are relevant:-

“It is also pertinent to mention here that the assessee has not submitted any documentary evidence to substantiate the generation of such a large amount of agricultural income during the year under consideration. What was the total produce during the year, where it was sold, how it was sold, to whom it was sold, what were the raw materials, how much were procured, from whom and what mode it was procured, what was sown etc. All these questions have remained unanswered. Though the assessee has submitted a copy of 7/12 extract to support his contention that he is engaged in agricultural activity, but the same will not corroborative evidence to substantiate the agricultural income, which has to be substantiated with the clinching evidence in the form of invoices of sale, document relating to production of agricultural produce and supporting expenditure attributable towards agricultural income....”

Before us also, the assessee did not produce any evidence. What was furnished before us was estimated cash inflow that could be received through cashew farming and coconut farming etc.

8. The fact remains that the assessee has been declaring agricultural income at lower level in the earlier years as noticed by us earlier. In the immediately preceding assessment year, the assessee has declared agricultural income of Rs.4,68,200/- only. On the contrary, in the instant year, the assessee has declared agricultural income of Rs.24,14,860/- and we noticed earlier that the same could not be substantiated by the assessee. In our view, the Assessing Officer has reasonably estimated the agricultural income at Rs. 5,14,860/-, considering the quantum of agricultural income declared by the assessee in earlier years. Under these set of facts, the excess amount of agricultural income amounting to Rs.19.00 lakhs was rightly assessed by the AO as unexplained money in the hands of the assessee. Accordingly we are of the view that the order passed by the learned CIT(A) on this issue does not require interference. Accordingly we confirm the same.

9. In the result, the appeal filed by the assessee is dismissed.

Order pronounced on 04.04.2024.

Sd/-
(Justice (Retd.) C.V. Bhadang)
President

Sd/-
(B.R. Baskaran)
Accountant Member

Mumbai.; Dated : 04/04/2024

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The CIT(A)
4. CIT
5. DR, ITAT, Mumbai.
6. Guard File.

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BY ORDER,

(Assistant Registrar)
ITAT, Mumbai