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आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'SMC' Bench, Hyderabad

Before Shri Manjunatha, G. Accountant Member

आ.अपी.सं / **ITA No.740/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2017-18)

Rup Latha Palle Kurnool PAN:BSEPP7160F (Appellant)	Vs.	Income Tax Officer Ward 10(5) Hyderabad (Respondent)
निर्धारिती द्वारा/Assessee by: Shri R Rajasekhar, CA		
राजस्व द्वारा/Revenue by:: Shri K.N. Suresh Babu, DR		
सुनवाई की तारीख/Date of hearing: 28/08/2024		
घोषणा की तारीख/Pronouncement: 02/09/2024		

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 07/06/2024 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2017-18.

2. The brief facts of the case are that the assessee is an individual and filed her return of income for the A.Y 2017-18 on 24.03.2018 declaring total income of Rs.3,31,250/-. The case was selected for scrutiny under CASS to verify large agricultural income shown in ITR and large cash deposits during demonetization period. During the course of assesment

proceedings, the Assessing Officer noticed that the appellant has declared agricultural income of Rs.19,22,960/-. The Assessing Officer further noted that the appellant has made cash deposits of Rs.8,14,000/- into bank account. The Assessing Officer called upon the assessee to file necessary evidences to prove agricultural income and also source for cash deposits. The assessee has submitted all the details including relevant landholdings details, copy of agricultural land holding, pattadar pass book and certificate issued by the Mandal Revenue Officer (MRO) to prove cultivation of land. The assessee had also explained the source for cash deposits out of agricultural income. The Assessing Officer after considering relevant submission of the assessee made addition towards agricultural income as unexplained money u/s 69A of the I.T. Act, 1961 on the ground that the appellant could not furnish relevant bills & vouchers towards expenditure incurred for carrying out agricultural activities. The Assessing Officer had also made addition of Rs.3,65,000/- towards cash deposited into bank account on the ground that out of Rs.8,14,000/-, the assessee is able to explain source to the extent of Rs.4,65,000/- out of past savings and for the remaining cash of Rs.3,65,000/-, although she explained out of agricultural income but no evidence has been filed.

3. The assessee carried the matter in appeal before the learned CIT (A) and filed all the details in response to the show cause notice issued by the learned CIT (A). The appellant had also

filed a letter dated 3.7.2020 and sought for personal hearing. The learned CIT (A) without considering details submitted by the assessee and also not providing personal hearing, disposed off the appeal filed by the assessee and upheld the addition made by the Assessing Officer towards agricultural income and cash deposits in a cryptic order without any discussion.

4. Aggrieved by the order of the learned CIT (A), the assessee is in appeal before the Tribunal.

5. The learned Counsel for the assessee submitted that the learned CIT (A) is erred in sustaining the addition made by the Assessing Officer towards agricultural income without appreciating the fact that the appellant has filed all the details of landholding and certificate from the MRO to prove agricultural operations. The learned Counsel for the assessee further submitted that the learned CIT (A) without appreciating the fact that the appellant has explained cash deposits out of agricultural income and out of her past savings. Therefore, he submitted that the addition made by the Assessing Officer should be deleted.

6. The learned DR, on the other hand, supporting the orders of the learned CIT (A) submitted that the assessee has not filed any evidence in support of agricultural activities and also bills & vouchers for the expenditure incurred during the course of agricultural activities. Further, the appellant had also failed to

explain the source for cash deposits. Therefore, the learned CIT (A) after considering relevant facts has rightly sustained the addition made by the Assessing Officer and their orders should be upheld.

7. I have heard both the parties, perused the material available on record and gone through the orders of the authorities below. In so far as the disallowance of agricultural income of Rs.19,29,960/- is concerned, it is a matter on record that the appellant is the owner of 37 acres and 78 cents of agricultural lands in various survey Nos. at Parumanchala Village, Nandikotkur Taluq & Mandal, Kurnool Dist. The appellant had also filed relevant details of landholding including agricultural landholding, pattadar pass book and also certificate issued by the MRO to prove agricultural operation. As per the details filed by the assessee, we find that the appellant was regularly carrying out agricultural activities and growing tobacco, urad dal, onion, mirchi, jowar, red gram etc., The assessee had also declared agricultural income for earlier A.Ys. Therefore, I am of the considered view that when the appellant has explained agricultural income declared for A.Ys with necessary evidences, the Assessing Officer ought not to have made addition towards agricultural income only on the ground that the appellant failed to file bills & vouchers for manures and other expenditure. In my considered view, no agriculturists in India will ever keep any details of expenditure towards manure and other expenses by

keeping a record like bills & vouchers. Therefore, merely for not filing bills & vouchers for expenditure, the agricultural income declared by the assessee which is supported by evidences cannot be disregarded. The learned CIT (A) without any discussion in one line order simply sustained the addition made by the Assessing Officer. Thus, I set aside the findings of the learned CIT (A) on this issue and direct the Assessing Officer to delete the addition made towards agricultural income u/s 69A of the I.T. Act, 1961.

8. In so far as the addition towards cash deposits of Rs.3,65,000/-, in my considered view, the Assessing Officer is fair enough in as much as out of total cash deposits of Rs.8,14,000/- has given credit to the tune of Rs.4,65,000/- when the appellant has stated that the said cash deposit was out of his past savings and agricultural income. For the remaining amount, the appellant could not file sufficient evidences. Therefore, I am of the considered view that there is no error in the reasons given by the Assessing Officer and the learned CIT (A) to make additions towards cash deposits of Rs.3,65,000/- and thus, I am inclined to uphold the findings of the learned CIT (A) and reject the ground taken by the assessee.

9. In the result, appeal filed by the assessee is partly allowed.

Order pronounced in the Open Court on 2nd September, 2024.

Sd/-

**(MANJUNATHA, G.)
ACCOUNTANT MEMBER**

Hyderabad, dated 2nd September, 2024.

Vinodan/sps

Copy to:

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1	Rup Latha Palle, House No.43/58, NR Pet, Kurnool A.P 518001
2	Income Tax Officer Ward 10(5) 5 th Floor, A Block, IT Towers, AC Guards, Masab Tank, Hyderabad
3	Pr. CIT - Kurnool
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order