

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL
‘SMC’ BENCH, CHANDIGARH

BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER

आयकर अपील सं./I.T.A. Nos. 480 & 481/CHD/2024

निर्धारण वर्ष / Assessment Year : 2007-08

Mangat Ram VPO Jaroda, Teh. Jagadhari, Yamunanagar, Haryana 135003	बनाम	Income Tax Officer Ward 5, Yamunanagar
स्थायी लेखा सं./PAN NO: BQLPR 0570C		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

(VIRTUAL HEARING)

निर्धारित की ओर से/Assessee by : Shri Ajay Jain, C.A.

राजस्व की ओर से/ Revenue by : Dr. Ranjeet Kaur, Sr. D.R.

सुनवाई की तारीख/Date of Hearing : 12.11.2024

उद्घोषणा की तारीख/Date of Pronouncement : 09.12.2024

आदेश/Order

Both the captioned appeals have been preferred by the assessees against the separate orders passed by the Id. Commissioner of Income Tax, Appeal National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as the “Ld. CIT(A)”] dated 29.02.2024 & 20.09.2023 respectively for the Assessment Year: 2007-08. ITA No. 480/CHD/2024 is relating to the quantum additions, whereas, ITA No. 481/CHD/2024 is relating to the

penalty levied u/s. 271(1)(c) of the Income Tax Act, 1961 (in short 'the Act') in respect of the aforesaid quantum additions made by the Assessing Officer (in short "AO")

ITA No. 480/CHD/2024

2. The sole issue involved in the present appeal is relating to the confirmation of the addition made by the Assessing Officer of Rs. 3,74,572/- on account of unexplained cash deposits in the Bank account of the assessee.

3. At the outset, the Id. counsel for the assessee has submitted that the assessee had sold agricultural land and received sale consideration of Rs.12.50 lacs. However, the Assessing Officer noticed that the assessee had 6/7 share in the sold property. He therefore, calculated the share of the assessee in the sale consideration accordingly and held that the source of deposits to the extent of Rs.10,71,428/- stood explained. He, however, made the addition of the remaining amount of Rs.3.74 lacs as cash deposits from unexplained sources of income. The Id. CIT(A) confirmed the addition so made by the Assessing Officer.

4. I have heard the rival contention and gone through the records. The Id. counsel for the assessee has submitted that the entire sale consideration was deposited in the Bank account of the assessee.

That the Assessing Officer was not justified in accepting the deposits only to the extent of share of the assessee in the sold land, i.e. up to Rs.10,71,428/- only, instead of total consideration received of 12.15 lacs. He has further submitted that the assessee being the agriculturist, and the remaining amount of Rs.1.96 lacs was out of agricultural income of the assessee.

5. The ld. DR, however, has submitted that since the assessee could not explain the source of deposits of Rs.3.74 lacs, therefore the lower authorities have rightly made/confirmed the impugned addition.

6. I have considered the rival submission. In my view, the assessee has duly explained the source of deposits to the extent of Rs.12.50 lacs being the sale consideration received from the sale of agricultural land. So far as, the meager amount of Rs.1.96 lacs is concerned, considering the smallness of the amount, it can be well assumed that the said amount was out of the agricultural income of the assessee. In view of this, the impugned addition made by the Assessing Officer is not sustainable and the same is ordered to be deleted.

7. The appeal of the assessee is treated stands allowed.

ITA No. 481/CHD/2024

8. The appeal is time barred by 159 days. The ld. counsel for the assessee has submitted that the assessee was not aware of that the penalty appeal has been decided by the ld. CIT(A), even prior to the decision given in the quantum appeal. The assessee came to know of the impugned order of the ld. CIT(A) after the decision in the quantum appeal, resulting in the aforesaid delay. Considering the above submission, the delay in filing the above appeal is hereby condoned.

9. The impugned penalty assailed in this case is based upon the quantum additions. As discussed above, while adjudicating in ITA No. 480/CHD/2024, since, the quantum addition stands deleted, hence, the very basis for which the penalty was levied as ceased to exist. The impugned penalty, thus has not legs to stand, hence, the same is ordered to be deleted.

10. In the result, both the above appeals are allowed.

Order pronounced on 09.12.2024.

Sd/-

(SANJAY GARG)
Judicial Member

Dated : 09.12.2024

“GP/Sr.PS.”

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीयप्रतिनिधि, आयकरअपीलीयआधिकरण, चण्डीगढ़/ DR, ITAT,
CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,

सहायकपंजीकार/ Assistant Registrar