

**IN THE INCOME TAX APPELLATE TRIBUNAL**

**NAGPUR BENCH, NAGPUR**

**BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER AND**

**SHRI K.M. ROY, ACCOUNTANT, MEMBER**

**ITA no.162/Nag./2025**

**(Assessment Year : 2017-18)**

Dilip Sampatrao Yewale  
1, Sultanpura, Achalpur City  
Amravati 444 806 PAN – ANXPY7301E

..... Appellant

v/s

Income Tax Officer  
Ward-5, Amravati

..... Respondent

Assessee by : Shri Mahavir Atal  
Revenue by : Shri Surjit Kumar Saha

Date of Hearing – 13/05/2025

Date of Order – 09/06/2025

**ORDER**

**PER V. DURGA RAO, J.M.**

This appeal by the assessee is against the impugned order dated 29/02/2024, passed by the learned Commissioner of Income Tax (Appeals)-1, Lucknow, ["*learned CIT(A)*"], for the assessment year 2017-18.

2. The assessee has raised following grounds:-

*"1. THAT keeping in view the facts of case lower authorities erred in making addition of Rs. 7,38,500/- u/s 68 without giving credit of agricultural income and cash withdrawals from bank. The addition made by AO & confirmed by CIT (Appeals) without service of notice is not justified, improper and deserves to be deleted.*

*2. THAT further the lower authorities erred in assessing the income at Rs 8,24,220/- as against returned income of Rs 85720/- and thereby raising the demand of Rs 5,70,491/ in ex-parte proceedings. The addition is improper, unjust and deserves to be deleted. The assessment framed by the AO is bad in law & arbitrary.*

*3. THAT any other ground/s that may be raised at the time of hearing."*

3. Brief facts are, the assessee is a senior citizen, is an an agriculturist and cultivates the agricultural land on his own and earns agricultural income. Apart from agricultural income, neither the ass is engaged in any sort of business nor derive any income from any other activities. The assessee even does not have any e-mail address and not using smartphone. He has no knowledge of electronic communication system. On 26/03/2018, the assessee, for the year under consideration, filed its return of income under section 139 of the Income Tax Act, 1961 (*"the Act"*) disclosing agriculture income and interest on bank deposits. In the return of income, the concerned Chartered Accountant has given his official e-mail I.D. During the year under assessment, the assessee had withdrawn cash of ₹ 8,20,000 from time to time from bank account and the same were re-deposited in bank besides agriculture income. The assessee stated that the cash deposited in bank account at ₹ 7,38,500, during the financial year 2016-17 is out of savings from agriculture income and redeposit of cash withdrawn from bank account. The case was taken up for scrutiny for reason of cash deposit in bank. As stated by the assessee, he is not acquainted with income tax online facility and electronic mail system and, therefore, he entrusted the work of complying with notices to a local Chartered Accountant and handed over all the notices and communication along with copy of agricultural 7/12 extracts, bank statements, etc., to him for complying the same. On enquiry, the assessee was informed by concerned Chartered Accountant that the proceedings are going on and he will look after the matter. Meanwhile, the assessee was under impression that the notices are complied by the

Chartered Accountant, however, the Assessing Officer made addition of ₹ 7.38,500, in an ex-parte proceedings and the assessment order, without giving credit of cash withdrawals from bank. The assessee being aggrieved by the ex-parte assessment order so passed by the Assessing Officer, carried the matter before the first appellate authority.

4. On appeal, the learned CIT(A) also dismissed the assessee's appeal and the impugned order was also passed ex-parte without serving any notice on the e-mail and postal address provided by the assessee in specific column at Sr. no.17, while filing Form no.35. However, no notices were ever served on the said e-mail nor any appeal notice is received by post. The notices were sent on e-mail of the Chartered Accountant, who filed the return of income and, therefore, the assessee was not having any knowledge about the same. Thus, the appeal was decided ex-parte without service of notice to the assessee or his Counsel (Chartered Accountant) and the addition so made by the Assessing Officer was confirmed by the learned CIT(A) by passing the impugned ex-parte order. Upon issuance of such impugned order, the assessee is further aggrieved and is in appeal before the Tribunal.

5. Before us, during the course of hearing, the learned Counsel, Shri Mahavir Atal, appearing on behalf of the assessee vehemently argued that the nature and source of cash deposit is arising out of agricultural activities and agricultural income cannot be brought under the ambit of taxation. It is apparent that the assessee has already disclosed the same in his return of income. Be that as it may, there is no merit in the addition of cash deposit

separately when it is arising out of exempt agricultural activities. Further the assessee is a senior citizen and past accumulated savings cannot be ruled out. The circumstantial evidences and preponderance of probabilities clearly points out that the source of cash deposit is clearly explained. No contrary or corroborative evidences have been brought on record by the learned Departmental Representative, Shri Surjit Kumar Saha, appearing on behalf of the Revenue, which warrants us to uphold the impugned order so passed by the learned CIT(A). Consequently, we set aside the impugned order passed by the learned CIT(A) and direct the Assessing Officer to delete the addition of ₹ 7,38,500, made by him under section 68 on account of cash deposit in bank account and re-compute the income of the assessee in accordance with law. Thus, all the grounds raised by the assessee are allowed.

6. In the result, assessee's appeal is allowed.

Order pronounced in the open Court on 09/06/2025

**Sd/-**  
**K.M. ROY**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**V. DURGA RAO**  
**JUDICIAL MEMBER**

**NAGPUR, DATED: 09/06/2025**

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury  
Sr. Private Secretary

True Copy  
By Order

Sr. Private Secretary  
ITAT, Nagpur