

**आयकर अपीलीय अधिकरण, इंदौर न्यायपीठ, इंदौर**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**INDORE BENCH, INDORE**  
**BEFORE SHRI B.M. BIYANI, ACCOUNTANT MEMBER**  
**AND**  
**SHRI PARESH M. JOSHI, JUDICIAL MEMBER**

**ITA No.819/Ind/2024**  
**Assessment Year:2008-09**

|   |                                   |  |
|---|-----------------------------------|--|
| Rajmal Mewada,<br>Village-Thoonakala,<br>Pachama,<br>Dist. Sehore<br>(Assessee/Appellant) | <b><u>बनाम/</u></b><br><b>Vs.</b> | ITO,<br>Sehore<br>(Revenue/Respondent) |
| <b>PAN: BGNPM9544F</b>  |                                   |  |
| Assessee by   | Shri Govind Rinwa, AR             |  |
| Revenue by  | Shri Ashish Porwal, Sr. DR        |  |
| Date of Hearing   | 16.06.2025                        |  |
| Date of Pronouncement   | 18.06.2025                        |  |

**आदेश / O R D E R**

**Per B.M. Biyani, A.M.:**

Feeling aggrieved by order of first-appeal dated 21.10.2024 passed by learned Commissioner of Income-Tax (Appeals)-NFAC, Delhi ["CIT(A)"] which in turn arises out of assessment-order dated 12.02.2016 passed by learned ITO, Sehore ["AO"] u/s 144 r.w.s. 147 of Income-tax Act, 1961 ["the Act"] for Assessment-Year ["AY"] 2008-09, the assessee has filed this appeal on the grounds mentioned in Appeal Memo (Form No. 36).

2. The background facts leading to this appeal are such that the AO, on the basis of Non-PAN AIR information in departmental database, came to know that the assessee-individual had deposited cash aggregating to Rs. 12,84,000/- in Bank of India during the financial year 2007-08 relevant to AY 2008-09. Accordingly, the AO issued notice u/s 148 on 19.03.2015 initiating proceeding u/s 147 followed by notices u/s 142(1). However, finding no response from assessee, the AO framed assessment u/s 144 on the basis of information available in his possession and assessed the entire amount of impugned deposits as unexplained income of assessee.

2.1 Aggrieved, the assessee carried matter in first-appeal. Before CIT(A), the assessee filed a detailed submission which is re-produced in Para 5 of CIT(A)'s order. In the submission so made, the assessee explained two-fold sources of deposits in bank a/c, namely (i) the agricultural income earned from lands held by assessee, his wife and sons ["assessee-family"] was deposited, and (ii) the cash withdrawals made from very same bank a/c were also deposited. The assessee also filed documentary evidences of land holding, crop sales and bank statement as additional evidences in terms of Rule 46A of Income-tax Rules, 1962. The CIT(A) accepted assessee's request under Rule 46A and called remand-report from AO. The AO submitted remand-report which is re-produced in Para 5.2 of CIT(A)'s order. The AO made certain adverse observations in remand-report and therefore the CIT(A) shared remand-report with assessee and provided an opportunity to assessee. The assessee filed rejoinder which is also re-produced in Para 5.3

of CIT(A)'s order. Ultimately, however, the CIT(A) rejected the explanation given by assessee qua sources of impugned deposits and upheld addition.

2.2 Now, the assessee has come in next appeal before us.

3. At the outset, Ld. AR for assessee submitted that the assessee is a small agriculturist and the agriculture is the only source of income of assessee's family. He brought Shri Kedar Singh, son of assessee, in the open court to demonstrate the status of assessee's family. Ld. AR then made a very humble prayer with folded hands that the case of assessee is simple and straightforward and involves a small dispute which should be finally resolved by this bench taking into account the evidences on record.

4. Ld. AR next submitted that the dispute in present case is with regard to the source of cash deposits of Rs. 12,84,000/- made by assessee in Bank A/c. He submitted that the assessee had two sources to make impugned deposits and those sources are very much substantiated by the evidences filed to CIT(A) and also placed in Paper-Book before this bench. Ld. AR made following submissions:

- (i) That the *first* source of deposit was agricultural income earned by assessee-family. Ld. AR filed a statement of agriculture receipts derived by assessee at Page 22 of Paper-Book, the same is scanned and re-produced below:

**BEFORE THE INCOME TAX APPELLATE TRIBUNAL, INDORE BENCH, INDORE**

|                 |  |
|-----------------|--|
| Appellant       | Rajmal Mewada S/o Kashiram<br>Village-Thuna Kalan, Pachama, Sehore |
| PAN             | BGNPM9544F   |
| Assessment Year | 2008-09  |
| Appeal No.      | ITA 819/Ind/2024   |

**Details of Agricultural Produce Sold**

| S.No. | Date       | Name of Seller | Name of Purchaser                    | Agri. Produce Sold | Sale Amount (Rs.)   | Receipt No. |
|-------|------------|----------------|--------------------------------------|--------------------|---------------------|-------------|
| 1     | 27/04/2007 | Rajmal Mewada  | Rajesh Kumar Mohanlal                | Soyabean           | 52,073.00           | 09          |
| 2     | 30/04/2007 | Rajmal Mewada  | Ruchi Soya Industries (Mandi) Sehore | Soyabean           | 51,657.00           | 47          |
| 3     | 01/05/2007 | Rajmal Mewada  | ITC Limited                          | Soyabean           | 49,893.00           | 3520        |
| 4     | 04/05/2007 | Rajmal Mewada  | Ruchi Soya Industries Limited Sehore | Soyabean           | 90,514.00           | 2038        |
| 5     | 23/05/2007 | Kedar Singh    | ITC Limited                          | Wheat              | 23,485.00           | 2533        |
| 6     | 25/05/2007 | Kedar Singh    | ITC Limited                          | Wheat              | 23,513.00           | 2601        |
| 7     | 18/08/2007 | Kedar Singh    | M/s Shivam Pulses                    | Wheat              | 24,382.00           | 67          |
| 8     | 12/11/2007 | Kedar Singh    | Manoj Enterprises                    | Soyabean           | 1,02,384.00         | 119         |
| 9     | 13/11/2007 | Rajmal Mewada  | Manoj Enterprises                    | Soyabean           | 99,145.00           | 145         |
| 10    | 14/11/2007 | Rajmal Mewada  | Ruchi Soya Industries Limited Sehore | Soyabean           | 89,630.00           | 2014        |
| 11    | 16/11/2007 | Rajmal Mewada  | Ruchi Soya Industries Limited Sehore | Soyabean           | 64,152.00           | 2556        |
| 12    | 15/11/2007 | Rajmal Mewada  | Sonic Biochem Ex. Limited            | Soyabean           | 74,900.00           | 032         |
| 13    | 17/11/2007 | Rajmal Mewada  | M/s Chandak Agencies                 | Soyabean           | 58,078.00           | 1424        |
| 14    | 17/11/2007 | Rajmal Mewada  | Bhaskar Ex. Oil Ltd.                 | Soyabean           | 59,385.00           | 57          |
| 15    | 20/11/2007 | Kedar Singh    | M/s Chandak Agencies                 | Soyabean           | 58,703.00           | 1395        |
| 16    | 21/11/2007 | Rajmal Mewada  | Ruchi Soya Industries (Mandi) Sehore | Soyabean           | 54,837.00           | 4547        |
| 17    | 22/11/2007 | Rajmal Mewada  | M/s Mahesh Kumar Dilip Kumar Sahu    | Soyabean           | 53,805.00           | 54          |
| 18    | 01/12/2007 | Rajmal Mewada  | M/s Ramkishan Dhanraj                | Soyabean           | 49,414.00           | 1855        |
| 19    | 03/12/2007 | Rajmal Mewada  | Pankaj Kumar Pradeep Kumar Sabu      | Soyabean           | 36,032.00           | 2920        |
| 20    | 15/12/2007 | Kedar Singh    | Pankaj Kumar Pradeep Kumar Sabu      | Soyabean           | 48,598.00           | 2563        |
| 21    | 01/01/2008 | Kedar Singh    | ITC Limited                          | Wheat              | 23,625.00           | 2479        |
| 22    | 11/01/2008 | Rajmal Mewada  | M/s Puneet Traders                   | Soyabean           | 31,937.00           | 2234        |
| 23    | 12/01/2008 | Kedar Singh    | M/s Rajneesh Traders                 | Soyabean           | 39,208.00           | 1816        |
|       |            |                |                                      | <b>Total</b>       | <b>12,59,350.00</b> |             |

Ld. AR drew us to Pages 23 to 45 of Paper-Book where the evidences in the forms of Invoices and Payment Vouchers issued by purchasers as mentioned in the above statement are filed and corroborated the details mentioned in above statement with reference to the corresponding Invoices and Payment Vouchers one by one. He submitted that all purchasers are established businessmen including some of the reputed industries like Ruchi Soya Industries Ltd, ITC Ltd., etc. He demonstrated that the Invoices and Payment Vouchers

contain complete details such as name of crop sold, date, quantity, rate, amount and the payment made to assessee. He demonstrated that all documents are authentic and genuine routed through Krishi Upaj Mandi Samiti. He submitted that the documents submitted by assessee do not disclose any iota of deficiency or adversity.

Having shown thus, Ld. AR went ahead to submit that following three lands were owned by assessee-family during the relevant previous year 2007-08 from which aforesaid agricultural receipts were derived. Ld. AR carried us to the evidences of these three lands owned by assessee-family in the Form of "Rin Pustika" issued by Govt. placed in in Paper-Book:

| Holder                                      | Rin Pustika No. | Khasra No.                                     | Area (Hectare) | Paper-Book Pages |
|---|-----------------|--|----------------|------------------|
| Rajmal Mewada                               | 201391          | 459, 462                                       | 6.195          | <b>6 - 9</b>     |
| Smt. Sarju Bai<br>(wife)                    | 201392          | 443, 458, 460/1,<br>482/1/2,<br>461/1/2, 482/2 | 2.335          | <b>10 - 16</b>   |
| Hanuwant Singh<br>and Kedar Singh<br>(Sons) | 201390          | 461/1/1, 461/2                                 | 1.563          | <b>17 - 20</b>   |
| Total                                       |                 |  | 10.093         |                  |

Ld. AR carried us to the Pages of Paper-Book mentioned in last column of above Table to demonstrate that the abovementioned three lands were owned by assessee-family, emphasizing particularly that the "Rin Pustikas" clearly exhibit holding of lands in the "year 2007-08" which is relevant to AY 2008-09 under consideration. Ld. AR thus contended that the three lands were owned by assessee-family during the financial year 2007-08 with which we are concerned. Therefore, Ld. AR submitted, the observation of AO in remand-report and consequently the conclusion taken by CIT(A) resting upon AO's remand-report that no land was owned by assessee-family during the year 2007-08 is wrong. Ld. AR, however, agreed that the assessee inadvertently included two more lands (one having area of 3.861 hectare owned by Shri Kedar Singh + other having area of 3.860 hectare owned by Shri Hanuman Singh) in the submission made to CIT(A) but when the AO reported in remand-report that those two lands were purchased during the year 2011-12 and were not owned in the year 2007-08, the assessee immediately rectified such inadvertent mistake in the rejoinder filed to CIT(A). In conclusion, Ld. AR submitted that the assessee-family was holding three lands aggregating to 10.093 hectares during the financial year 2007-08 as per details given in the above Table.

- (ii) That the *second* source of deposit was cash withdrawals made by assessee from very same bank a/c. Ld. AR carried us to Pages 46-47

of Paper-Book where a copy of bank pass-book is filed. Referring to same, Ld. AR demonstrated that following cash withdrawals were made by assessee through self cheques on various dates during the relevant year:

| Date       | Amount   |
|------------|----------|
| 28.04.2007 | 2,000    |
| 30.04.2007 | 81,000   |
| 11.06.2007 | 16,000   |
| 30.08.2007 | 4,00,000 |
| 23.11.2007 | 1,00,000 |
| 26.11.2007 | 10,000   |
| 03.12.2007 | 72,000   |
| 01.03.2008 | 500      |
| Total      | 6,81,500 |

5. Then, the Ld. AR went ahead to submit that he has also compiled the details of cash availability with assessee in the form of a Statement which is filed at Page 21 of Paper-Book. Referring to the entries of inflows and outflow mentioned therein, Ld. AR submitted that the Statement contains all details of receipts from sale of crop, cash withdrawals from bank and cash deposited in bank. He submitted that there is a regular flow of receipts from sale of agricultural crop and the deposits in bank a/c have also been made in a corresponding regular pattern, there is nothing unusual. He submitted

that there is only one entry of high cash deposit of Rs. 7,10,000/- made on 22.11.2007 (which is adversely pointed out by AO in remand-report) but there were continuous sales aggregating to Rs. 7,14,569/- during the period 12.11.2007 to 22.11.2007 prior to such deposit in bank a/c. The details of such sales, which are fully supported by Invoices and Payment Vouchers, have already been discussed in preceding para. Therefore, Ld. AR contended, the immediate source of high deposit of Rs. 7,10,000/- is also very much explained.

6. With above submissions, Ld. AR prayed that the sources of deposits in bank a/c are satisfactorily explained by assessee with sufficient evidences. Hence, the sources claimed by assessee must be accepted and the addition made by AO be deleted.

7. Ld. DR for revenue was fair enough in not controverting the submissions and prayers made by Ld. AR although he dutifully relied upon the orders of lower-authorities.

8. We have considered submissions of both sides and carefully perused the orders of lower authorities as well as the documents held in Paper-Book to which our attention has been drawn. Admittedly, the assessee has made total cash deposits of Rs. 12,84,000/- on different dates in bank a/c during the relevant year and the assessee could not make any representation before AO at assessment stage, therefore the AO has framed assessment u/s 144 and treated the entire deposits as unexplained income of assessee. However,

during first-appeal, the assessee has convinced the CIT(A) for non-appearance before AO and also filed additional evidences qua the sources of deposits in terms of Rule 46A. The CIT(A) accepted assessee's submission and forwarded evidences to AO for remand-report. Then, the AO filed remand-report to CIT(A). The CIT(A) provided remand-report to assessee and then assessee filed rejoinder to CIT(A). In his remand-report, the AO reported that the landholding of assessee-family during the year 2007-08 was not proved. But in his rejoinder to remand-report, the assessee admitted his inadvertent mistake and made a rectified submission that out of total five lands, three lands were owned by assessee-family during the year 2007-08 and only two lands were not owned in that year. But the CIT(A) concluded *"I find from the remand report that appellant or his family members were not owning any land during FY 2007-08"* and upheld addition. The Ld. AR for assessee carried us to the "Rin Pustikas" of three lands as placed in Paper-Book (the details of Pages of Paper-Book have already been mentioned in the last column of the Table of lands in earlier para) and successfully demonstrated that the assessee-family owned those three lands aggregating to 10.093 hectare during the financial year 2007-08 in open court. The Ld. AR for assessee has also carried us to the Invoices and Payment Vouchers of sales receipts of crops sold by assessee to various purchasers from which it is clearly discernible that the crop was sold to reputed businessmen including some leading industries. The Invoices and Payment Vouchers filed by assessee in Paper-Book were examined during

hearing in open court and no flaw or deficiency was observed by us or even pointed out by Ld. DR for revenue. Thus, the holding of land and receipts from sale of crop by assessee-family during the year 2007-08 are proved. So far as second source of deposit i.e. withdrawals from bank a/c is concerned, the pass-book of bank filed by assessee clearly proves assessee's claim that a total cash withdrawal of Rs. 6,81,500/- was made during year from bank a/c. Thus, the source of cash withdrawals is also proved. We also find that there is a single cash deposit of Rs. 7,10,000/- on 22.11.2007, all others are regular cash deposits in bank a/c. The single cash deposit is also explained from immediate receipts of crop sale made during the period 12.11.2007 to 22.11.2007. The assessee has also filed a cash availability statement incorporating the inflows from agriculture and cash withdrawals as well as outflows of cash deposits and this statement does not show any negative cash position, in fact it leaves sufficient cash balance for agriculture, household and other expenses as well. Thus, taking into account the contemporary evidences of agriculture income and cash withdrawals from bank filed by assessee which remain uncontroverted by revenue, we find that the assessee had explainable sources for making cash deposits in bank a/c. In that view of matter, the addition made by AO and upheld by CIT(A) is not sustainable. We therefore delete the addition fully. The assessee succeeds in this appeal.

**9. Resultantly, this appeal is allowed.**

Order pronounced in open court on 18/06/2025

Sd/-

(PARESH M. JOSHI)  
JUDICIAL MEMBER

Sd/-

(B.M. BIYANI)  
ACCOUNTANT MEMBER

**Indore**

दिनांक /Dated : 18/06/2025

Patel/Sr. PS

Copies to: (1) The appellant  
(2) The respondent  
(3) CIT  
(4) CIT(A)  
(5) Departmental Representative  
(6) Guard File

By order  
sr. Private Secretary  
Income Tax Appellate Tribunal  
Indore Bench, Indore