

**IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH : BANGALORE**

BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT

ITA No.297/Bang/2025
Assessment year : 2017-18

Madhukar Sabu Jadhav, M S Jadhav, No.29, Takkalaki H No.1 to 83, At Post Takkalaki. Bijapur 586 130. PAN: AZYPJ 1001H	Vs.	The Income Tax Officer, Ward 1 & TPS, Bijapur.
APPELLANT		RESPONDENT

Appellant by	:	Smt. Pratibha R., Advocate
Respondent by	:	Shri Ganesh R. Ghale, Standing Counsel for Revenue.

Date of hearing	:	12.06.2025
Date of Pronouncement	:	21.07.2025

ORDER

1. This appeal is filed by Madhukar Sabu Jadhav (the assessee/appellant) for the assessment year 2017-18 against the appellate order passed by the Addl/Jt.CIT(Appeals)-10, Mumbai [Id. CIT(A)] dated 7.1.2025 wherein the appeal filed by the assessee against the assessment order passed u/s. 144 of the Income-tax Act, 1961 [the Act] by the ITO, Ward 1 & TPS, Bijapur, was dismissed.

2. The assessee is aggrieved and in appeal before us.
3. Briefly stated the facts show that the assessee is an agriculturist and during the demonetisation period has sold agricultural land admeasuring 10 acres 23 guntas on 22.11.2016. He received cash of Rs.10,000 on 10.11.2016 which was deposited on 11.11.2016 and further Rs.3 lakhs received on 16.11.2016 deposited on the same date and further balance of Rs.10,72,000 cash received on 22.11.2016. Assessee has deposited Rs.5,48,000 on different dates. The assessee has not filed return of income.
4. Notice u/s. 142(1) was issued on 6.2.2018 on the basis of Operation Clean Money of the Income-Tax Department. The assessee did not file any return of income in response to notice u/s. 142(1) of the Act. Fresh opportunity was given to the assessee, but none appeared and therefore the Id. AO passed the best judgment order u/s. 144 of the Act, after obtaining information from the Bank viz., Siddeshwar Co-op. Bank Ltd., Vijayapur Branch, wherein it was found that cash deposit of Rs.5,48,000 is deposited by the assessee during the demonetisation period. The Id. AO assessed the total income of assessee at Rs.5,48,000 by passing assessment order u/s. 144 of the Act on 02.12.2019.
5. The assessee aggrieved with the same appealed before the Id. CIT(A) wherein the assessee submitted that he is an agriculturist holding land admeasuring 34 acres and sold 10 acres on 22.11.2016 for Rs.13,82,000 to Shri Kashinath Laxman Sawant. Cash received from

the above sale consideration is deposited in the bank account and therefore source of cash deposit is not unaccounted income of assessee. The assessee also filed an Affidavit to this effect.

6. The Id. CIT(A) rejected the explanation of the assessee and held that it may be appreciated that the amount of Rs.5,48,000 was deposited in old currency during the demonetisation period. Further it was a fact that Rs.500 & 1,000 notes were no more legal tender from the midnight of 8.11.2016. Therefore accepting the demonetised currency of Rs.5,48,000 after 8.11.2016 does not arise. Accordingly the addition made by the AO was held to be correct and confirmed.
7. The Id. AR submitted a 29 pages paperbook along with written submissions and stated that assessee has sold agricultural land and out of that cash was received which was deposited in the bank account. Thus, there is no unaccounted income which can be added u/s. 69A of the Act. It was stated that despite furnishing all the details before the CIT(A), the claim of the assessee was not accepted and the order of the AO was confirmed which is not correct.
8. The Id. DR, Shri Ganesh Ghale, vehemently supported the orders of the Id. lower authorities and submitted that the assessee did not submit any reply before the Id. AO, but when the information was submitted before the Id. CIT(A), he held that assessee was not entitled to receive demonetised currency and accordingly addition was confirmed. There is no infirmity in the order of the Id. CIT(A).

9. We have carefully considered the rival contentions and perused the order of the Id. lower authorities. It is a fact that assessee is an individual and agriculturist. He was having agricultural land at District Vijayapur admeasuring 34 acres. He has sold part of the agricultural land admeasuring 10 acres to Kashinath Laxman Sawant of Dhannargi Village for Rs.13,82,000 and received the consideration in cash. In an Affidavit, he has given the details in cash received. The affidavit is supported by the photocopy of Sale Deed of agricultural land which is registered in the office of Sub-Registrar, Vijayapur. Photocopy of SB A/c passbook of the assessee with Siddeshwar Co-op. Bank Ltd. Siddeshwar Co-op. Bank Ltd. wherein assessee deposited cash of Rs.5,48,000 was also provided. The details of the land holding and certificate from the Bank were also submitted before the Id. lower authorities. As perusal of the Sale Deed, it is apparent that assessee received the sale consideration in cash which was deposited in the Bank account of the assessee during the demonetization period. Out of the sale consideration of Rs.13,82,000 only consideration of Rs.5,48,000 was not accepted by the Id. lower authorities. The balance consideration was also deposited in the same Bank prior to the demonetization was accepted by the Id. lower authorities. Thus the Id. lower authorities accepted the sale of land in cash for Rs.13,82,000. Thus, the existence of cash with the assessee was not found fault with. When approximately Rs.8 lakhs deposited in the same Bank a/c is accepted, then there is no reason to make an addition of Rs.5,48,000 which is deposited during the demonetization period u/s. 69A of the

Act. According to me, the availability of cash of Rs.5,48,000 in the hands of the assessee is on account of sale consideration received in part by the assessee which is deposited in the bank account. The same is explained by the assessee by producing Sale Deed for agricultural land. In view of this, the addition made by Id. AO and confirmed by the Id. CIT(A) cannot be sustained. Accordingly, I direct the Id. AO to delete the addition of Rs.5,48,000 u/s. 69A of the Act for the cash deposit by the assessee in his SB A/c. Thus, all the grounds of appeal of the assessee are allowed.

10. In the result, the appeal by the assessee is allowed.

Pronounced in the open court on this 21st day of July, 2025.

Sd/-

(PRASHANT MAHARISHI)
VICE PRESIDENT

Bangalore,
Dated, the 21st July, 2025.

/Desai S Murthy /

Copy to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar
ITAT, Bangalore.