

**INCOME TAX APPELLATE TRIBUNAL: GAUHATI BENCH: GUWAHATI
BEFORE SHRI MANOMOHAN DAS, HON'BLE JUDICIAL MEMBER**

AND

SHRI SANJAY AWASTHI, HON'BLE ACCOUNTANT MEMBER

ITA No. 11 / GTY / 2024

AY: 2021-22

Pelhoubeinuo Sopfii Basa, Nrokiko Chiechama Village Village- Chiechama PIN- 797105 (Nagaland) PAN: EEQPS8194D	The ITO, Ward-2, Dimapur
(Appellant)	(Respondent)

Assessee By:	Shri Ramesh Goenka, Advocate
Respondent By:	Shri Kausik Ray, JCIT
Date of Hearing:	09-06-2025
Date of Pronouncement:	25.06.2025

ORDER

PER MANOMOHAN DAS, JM

This appeal by the assessee is directed against the order of the learned Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi (hereinafter referred to as the "CIT(A)" dated 20.11.2023 passed under Section 250 of the Income Tax Act, 1961 (hereinafter referred to as the 'Act') and pertains to the Assessment Year [AY] 2021-22.

2. The facts of the case are that, the assessee has declared gross agricultural income of Rs. 41,87,920 and claimed the same as exempt income under section 10(26) of the Act. The learned Assessing Officer observed that, the assessee could not substantiate its claim of cash deposits for Rs. 61,98,400/- and therefore, this amount of Rs. 61,98,400/- is disallowed and has added to the total income of the assessee u/s 69A of the Act.

3. Being aggrieved, the assessee filed 1st appeal before the Id. CIT(A). The Id. CIT(A) vide order dated 20.11.2023 has confirmed the addition of Rs. 61,98,400/- made by the Id. Assessing Officer [AO].

4. Being aggrieved, the assessee filed the present appeal before the Tribunal.

5. We observe that, the Id. CIT(A) has confirmed the addition made by the Id. AO due to failure to substantiate the source of the cash deposit in the bank account that the source was not out of the State of Nagaland.

6. We observe that, the assessee can claim exemption from payment of income tax if he / she can prove that the income was from the State of Nagaland since, the assessee is a member of the Scheduled Tribe community of the State of Nagaland. The assessee already could prove her agricultural income of Rs. 31,78,620/- as exempt income before the lower authorities. However, she could not prove before the lower authorities the source of the cash deposited in her bank accounts also from the State of Nagaland.

7. We have carefully considered the submissions of the parties and are of the view that, for the ends of justice, the assessee should get another opportunity to substantiate her claims that, the source of cash deposited in bank accounts were also from the State of Nagaland only. Accordingly, we set aside the order of the Id. CIT(A) dated 20.11.2023 and remand the case of the assessee to Id. AO for consideration afresh.

We direct the Id. AO to reconsider the claims of the assessee after giving the assessee an adequate opportunity of being heard. At the same time, we direct the assessee to substantiate her claims before the Id. AO. The parties have also no objection in remanding the matter to the Id. AO for consideration afresh.

4. In the result, the appeal of the assessee is allowed for statistical purposes only.

15. Order pronounced in the open court on this 25th day of June, 2025.

Sd/-

(Sanjay Awasthi)
Accountant Member

Sd/-

(Manomohan Das)
Judicial Member

Date: 25 .06.2025

Copy forwarded to:-

1. Pelhoubeinuo Sopfii, Basa, Nrokiko Chiechama village, Chiechama S.O. Ciechama, Kohima- 797105 (Nagaland).
2. The ITO, Ward-2, Dimapur
3. The Pr.CIT
4. The CIT(A)
5. The DR
5. Guard file

By Order

Assistant Registrar
ITAT, Guwahati / Kolkata