



**IN THE INCOME TAX APPELLATE TRIBUNAL  
JABALPUR BENCH "SMC", JABALPUR**

**BEFORE SHRI KUL BHARAT, VICE PRESIDENT**

ITA No. 194/JAB/2024  
Assessment Year: 2017-18

<b>Ramesh Vishwakarma</b> H. No.175 Bhatara Gadarwara Narsinghpur-487551.	v.	<b>Income Tax Officer</b> <b>Ward, Narsinghpur</b> Trimurti Nagar Housing Borad Colony, Narsinghpur-487001, Madhya Pradesh.
<b>PAN:AFLPV6691L</b>		
(Appellant)		(Respondent)

Appellant by:	Shri Dhiraj Ghai, CA		
Respondent by:	Shri Alok Bhura, Sr. CIT(DR)		
Date of hearing:	18	09	2025
Date of pronouncement:	25	09	2025

**ORDER**

**PER KUL BHARAT, VICE PRESIDENT.:**

This appeal, by the assessee, is directed against the order of the Learned Commissioner of Income-tax (Appeals)/National Faceless Appeal Centre (NFAC), Delhi dated 26.09.2023 pertaining to the assessment year 2017-18. The assessee has raised the following grounds of appeal: -

*"1. The order passed u/s 144 for AY 2017-18 on 18.10.2019 by ITO, Ward Narsinghpur, holding cash deposits to the extent of Rs, 10,00,000/- deposited in Bank accounts as unaccounted cash and thereby making addition of Rs.1,00,000/-is wholly illegal, unlawful and against the principles of natural justice.*

*2 The order of Learned CIT (A) is bad in law and liable to be quashed for: non-consideration of material on record and submissions of the appellant want of application of principles of natural justice.*

*3. Without prejudice*

*The learned Commissioner of Income Tax (Appeals) has erred in dismissing the appeal and hereby confirming the order passed by Assessing Officer. The order passed by learned assessing officer being bad in law and void-ab-initio was required to be quashed instead of being confirmed.*

4. *The Ld. AO has grossly erred in law and or on facts in not providing sufficient opportunity to reply remand report in form of rejoinder before holding the cash deposits to the extent of Rs 10,00,000/- deposited in Bank accounts as unaccounted cash and thereby making addition of Rs,10,00,000/-. Thus, there was gross violation of the principles of natural justice and assessment order /assessment followed by CIT(A) is liable to be quashed. The appellant may be allowed to produce additional evidence as per Rule 46A and it may be admitted. The Ld. AO has grievously erred in law and or on facts in holding cash deposits to the extent of Rs.10,00,000/- deposited in Bank accounts as unaccounted cash and thereby making addition of Rs. 10,00,000/- (further confirmed by CIT A without to the fact that assessee was holding 52 acres of land and agriculture income was his only source of income and saving there from over the years was sufficient to confirm genuine cash deposits of 10 lacs in the bank during demonetization.*

6. *That in the facts and circumstances of the case as well as in law, the Ld. AO has grievously erred in holding cash deposits to the extent of Rs. 10,00,000/- deposited in Bank accounts as unaccounted cash and thereby making addition of Rs. 10,00,000/- without appreciating the fact that assessee submitted all supporting documents in regards to source of cash deposits during demonetization.*

7. *The Ld. AO has grievously erred in law and or on facts in making addition invoking section-69A though the condition precedent was not Satisfied.*

8. *Without prejudice to the above and in alternative the impugned addition made by AO is highly excessive and calls for reduction.*

9. *The appellant craves leave to add or amend any ground of the appeal.”*

2. The facts giving rise to the present appeal are that the Assessing Officer received an Annual Information Returns (“AIR”) from UCO Bank and DCB Bank who had informed about the deposit of cash in bank accounts of the assessee amounting to Rs.7,00,000/- and Rs.3,00,000/- respectively. Thereafter, the Assessing Officer issued notice u/s 142(1) of the Income Tax Act, 1961 (“Act”, for short) asking the assessee to furnish the return of income. However, there was no response on behalf of the assessee. Therefore, the Assessing Officer made an addition of Rs.10,00,000/- i.e. the amount deposited in the bank account of the assessee in cash treating the same as unexplained investment u/s 69 of the Act. Thus, the Assessing Officer assessed the income u/s 144 of the Act at Rs.10,00,000/-. Aggrieved by this, the assessee preferred appeal before the Ld. CIT(A) wherein it was stated that the deposit was out of

agriculture produce who dismissed the appeal of the assessee by observing as under: -

*“8.1. Background facts, assessment order, grounds of appeal, submissions of the appellant and remand report of the AO are carefully considered. The AO has made addition of Rs.10,00,000 as the unexplained income of the assessee. At the appellate proceedings, the appellant has stated that the only sources of income to him was from agricultural activities and interest income. He has also stated that the source for the cash deposits of Rs.10,00,000 was out of past savings of agricultural income. The appellant in support of his agricultural activities has submitted evidences including sale bills etc. which were examined by the Assessing Officer and submitted a remand report. The AO in the remand report, duly verifying the sale bills has recorded that cash deposits were made well before the sale of agricultural goods claimed with the relied bills.*

*8.2. The appellant, in his written submissions, has also referred to certificates issued by Panchayat Officials and the Patwari that the only source of income of the assessee is from Agriculture. However, such certificates, purportedly issued at the behest of the assessee does little good in establishing the source of cash deposits in bulk amount during the time of demonetization. Therefore, no credence can be given to those certificates as against the remand report sent by the Assessing Officer which has been prepared in an analytic manner.*

*8.3. Further, the appellant was provided an opportunity to submit his comments on the adverse findings of the AO in the remand report by 2<sup>nd</sup> day of December, 2024. However, till this date of drafting this order, the appellant has not submitted any comments in this regard. The appellant has failed to substantiate with cogent evidences to establish the sources for the cash deposits even during the appellate proceedings. In view of the above, the ground of appeal of the appellant are dismissed.”*

3. Now, the assessee is in appeal before this Tribunal.

4. Apropos to the grounds of appeal, the Ld. Counsel for the assessee contended that the authorities below have failed to appreciate the facts of the case in right perspective. He contended that the relevant evidences related in the form of certificate by Patwari and the village Panchayat was submitted which was discarded by the Assessing Authority without giving any cogent reason. Therefore, he prayed that the impugned addition may be deleted.

5. On the other hand, the Ld. Departmental Representative (DR) supported the orders of the lower authorities.

6. I have heard the Ld. Representatives of the parties and perused the material available on record and gone through the orders of the authorities below. The assessee had furnished a certificate issued by the Panchayat and also had submitted Revenue records demonstrating the agriculture activities being carried out by the assessee. Therefore, looking to the totality of the facts and evidences placed before me. I am of the considered view that the lower authorities have erroneously failed to appreciate the facts in the right perspective, when the assessee has given sufficient evidences in the form of Revenue record without conducting any enquiry and more particularly Sarpanch of village Panchayat had categorically stated that the assessee has been carrying out the agriculture activities on the land recorded in the name of the assessee. Further, the certificate by the halka Patwari is not considered by the authority below who has stated that the assessee was having agriculture income about Rs.10,00,000/-. Considering the factum of the certificate issued by the Halka Patwari. I am of the view that the lower authorities were not justified in making the addition. Therefore, I hereby direct the Assessing Officer to delete the impugned addition. Grounds of appeal of the assessee are allowed.

7. In the result, the appeal of the assessee is allowed.

Order pronounced in the open Court on 25/09/2025.

Sd/-  
[KUL BHARAT]  
VICE PRESIDENT

DATED: 25/09/2025

Vijay Pal Singh, (Sr. PS)

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent
3. The CIT (Judicial)
4. The PCIT
5. DR, ITAT, Jabalpur
6. Guard File

By order

// True Copy//

Assistant Registrar  
ITAT, Jabalpur