

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, NAGPUR

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

ITA no.467/NAG/2025
(Assessment Year :2017-18)

Prashant Arvind Tayade,
Plot no.33, Parakashta
Jalpurti Colony, YMV Road
Amravati 444604,
Maharashtra.
PAN-AGTPT6782D

..... Appellant

v/s

Income Tax Officer
Ward-5, ITO Building,
Saturna, Amravati-444607,
Maharashtra.

..... Respondent

Assessee by: Shri.Bhushan Lathiya.A.R.
Revenue by :Shri Surjit Kumar Saha.Sr. DR

Date of Hearing – 09/10/2025

Date of Order – 10/10/2025

ORDER

The assessee has filed the appeal against the order dated 30/05/2025, passed by the learned CIT(A)/National Faceless Appeal Centre(NFAC), Delhi, u/sec 147 r.w.s. 143(3) and sec 250 of the Income Tax Act, 1961 (for short "*the Act*") for the A.Y. 2017-18. The assessee has raised following grounds of appeal:-

"1) *The impugned Order passed by Ld. CIT(A) is illegal, invalid and bad in law.*

2) The impugned Order passed by Ld. CIT(A) is without appreciating the explanations and arguments submitted by the Appellant in support of his contention.

3) Without prejudice, the Ld. CIT(A) have erred in law and on facts by not going into the merit of the case and passed an order based on doubts, surmises and conjectures.

4) Without prejudice, the Ld. CIT(A) has erred in law and on facts in not appreciating that there cannot be any addition under Section 68 of the Income Tax Act, 1961 for the relevant assessment year;

5) On the basis of these grounds and other grounds which may be urged at the time of hearing with the consent of Honorable Tribunal, it is prayed that the Order passed under Section 250, to the extent it is against the Appellant, be quashed and relief sought be granted."

2. The brief facts of the case are that, the assessee has not filed the return of income u/sec 139(1) of the Act for the A.Y. 2017-18 . The Assessing Officer has received information that the assessee has deposited Rs.4,04,000/- in the bank account maintained with Aditya Anagha Multi State Credit Society Ltd., in the month of November 2016.The Assessing Officer has reason to believe that income has escaped assessment and issued notice u/sec 148 of the Act. In compliance to the notice, the assessee has filed the return of income on 18/02/2022, disclosing a total income of Rs.1,18,839/-.Subsequently, notice u/sec 143(2) and u/sec142(1) of the Act are issued. Since there was no proper compliance, a show cause notice was issued on 21/02/2022, and the assessee has filed detailed reply on 02/03/2022, explaining the source of cash deposits being the cash received on sale of agricultural land and enclosed copy of sale deed and details of commission income from labour contractor works. Whereas, the

Assessing Officer has dealt on the facts and was not satisfied with the explanations of the assessee and observed that there is a delay in deposit of cash in the bank account in comparison to cash consideration received as per the registered sale deed and made addition u/sec 68 of the Act of Rs.4,04,000/- and assessed the total income of Rs.5,22,840/- and passed the order u/sec 147 r.w.s. 144B dated 27/03/2022. Aggrieved by the order, the assessee has filed the appeal before the CIT(A).

3. In appellate proceedings, the CIT(A) has considered the grounds of appeal, statement of facts, findings of the Assessing Officer and submissions of the assessee but has confirmed the action of the Assessing Officer and dismissed the appeal of the assessee. Aggrieved by the order of the CIT(A), the assessee has filed appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Id. A.R. for the assessee submitted that the CIT(A) has erred in not considering the information that the assessee is an agriculturist and the source of cash deposits in bank account are out of consideration received on the sale of agricultural land and is not disputed. The Id. A.R. substantiated the submissions with the factual Paper Book and judicial decisions and prayed for allowing the appeal. Per-contra, the Ld. D.R. supported the order of the CIT(A).

5. Heard the rival submissions and perused the material on record. The sole matrix of the disputed issue that the Assessing Officer has made an

addition of Rs.4,04,000/- being cash deposited in the bank account, whereas, the assessee has substantiated these cash deposits explaining that such deposits are out of consideration received on sale of agricultural land. In the course of hearing, the Ld. A.R. has referred to the sale deed dated 25/04/2016 and the sale consideration received was Rs.6,14,000/- and it is not disputed. The only grievance of the CIT(A) and the Assessing Officer is that the amount was deposited after more than five months in the bank account. Prima-facie, the assessee being agriculturist has explained the source of cash deposits with the material evidences. Therefore considering the facts, circumstances, submissions of the Ld.A.R and the availability of cash and the source is explained with material evidence. Accordingly the order of the CIT(A) is set aside and direct the Assessing Officer to delete the addition u/68 of the Act. And the grounds of appeal filed by the assessee are allowed.

6. In the result, the appeal filed by the assessee is allowed.

Order pronounced on 10/10/2025 as per rule 34(5) of the ITAT Rules1963.

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

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