

IN THE INCOME TAX APPELLATE TRIBUNAL
GUWAHATI BENCH, GUWAHATI
(VIRTUAL HEARING AT KOLKATA)

SHRI MANOMOHAN DAS, JUDICIAL MEMBER
SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER

I.T.A. No. 161/GTY/2025
Assessment Year: 2019-20

Manto Tingkhaham,
Deomal, District-Tirap,
Itanagar - 792129
[PAN: AMTPT7072L]

.....**Appellant**
vs.

ITO,
Aayakar Bhawan, Itabhatta,
Tinsukia, Assam - 786171

..... **Respondent**

Appearances by:

Assessee represented by : None
Department represented by : Kausik Ray, JCIT

Date of concluding the hearing : 14.10.2025
Date of pronouncing the order : 28.10.2025

ORDER

PER SANJAY AWASTHI, ACCOUNTANT MEMBER:

1. The present appeal arises from the order u/s 250 of the Income Tax Act, 1961 (hereafter “the Act”), dated 31.03.2025, passed by the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi [hereafter “the Ld. CIT(A)].

1.1. In this case, there is a delay of 18 days which has been requested to be condoned as under:

“AFIDAVIT of SHRI MANTO TINGKHAHAM aged 51 years, S/o Shri Wangkam Tingkhaham, Resident of Namsangmukh, P.O - Deomali, District - Tirap, Arunachal Pradesh, PIN - 792129 That, I am the above named deponent, and as such I am well conversant with the facts deposed to below.

1. *E That the appeal filed by the deponent before the Commissioner of Income Tax (Appeals) was disposed of by order dated 21/03/2025 passed by the Commissioner of Income Tax (Appeals) Vide DIN & Order No :ITBA/NFAC/S/250/2024-25/1074803037(1).*
2. *That the time for filing of the appeal before the Tribunal was to expire on 21/05/2025.*
3. *That the deponent filed an appeal before the Hon'ble Income Tax Appellate Tribunal, Guwahati bench on 17-06-2025.*
4. *That there has been a delay of 26 days in the filing of the aforementioned appeal.*
5. *That the delay has been due to communication issue in the extreme remote rural and hilly area of Namsangmukh, Deomali, District- Tirap, Arunachal Pradesh where the deponent resides.*
6. *That the reason for delay is totally bona-fide and unintentional and the deponent does not stand any chance to benefit from the delay.*
7. *That the deponent most humbly prays that the delay of 26 days may please be condoned and the appeal of the deponent be heard on merits.*

VERIFICATION DEPONENT

I, Shri Manto Tingkhaham, the above named deponent do hereby verify on oath that the contents of the affidavit above are true to my personal knowledge and nothing material has been concealed or falsely stated

Considering the reasons given in the said affidavit, the delay is hereby condoned and the appeal is admitted for adjudication.

2. On the last date of hearing, none attended but since several past dates have resulted in no appearance by anybody on behalf of the assessee, hence, it was decided to proceed with the adjudication with the help of Ld. DR.

2.1 In this case the Ld. AO has made an addition of Rs. 7,35,18,499/- u/s 69A of the Act and Rs. 2,80,033/- by way of short-term capital gains. The Ld.AO has recorded a finding that inspite of the claim for exemption u/s 10(26) of the Act, the assessee could not bring on record any sort of document to prove the source of the impugned amount being deposited in the bank account from the specified geographical area.

2.2 At first appeal stage also, the assessee could not succeed on the

basis of the following findings:

“6.8 In regards to fulfilling the third conditions of section 10(26), it has been observed that the appellant has asserted that his income from all sources has accrued and arisen within Arunachal Pradesh, so his income does not constitute part of the total income. As per section 10(26) of the Act, income tax exemption is only available when income arises in specified areas under sixth Schedule. It’s a fact that the appellant belongs to the scheduled tribal community in Arunachal Pradesh, but that doesn’t mean he is eligible for tax exemption. Tax exemption under section 10(26) of the Act is determined by the geographical location of income accrual and tribal status in specific States. The appellant has failed to substantiate that except for salary and long-term capital gains, income which has been stated to be the sources of investment and bank credits accrued to him from the specified areas. It is up to the appellant to prove that the income he claims to have earned from the specific areas was actually earned from the specified territory. It is evident that the appellant has not been able to establish the source of the additions in question.

6.9 In light of the above discussion, it is held that the AO correctly held that the assessee failed to discharge the onus vested on him. Therefore, the addition of Rs.7,35,18,499/ made by the AO is confirmed under section 69A of the Act, as the source of which remains unexplained and unsubstantiated. Thus, the appeal is unsuccessful. The grounds of appeal are, thus, dismissed.”

2.3 Further aggrieved, the assessee has approached the ITAT with the following grounds:

“That the assessee earned agricultural income from sale of green tea leaves from tea plantation in a leased land measuring 462 bighas situated in Samproo-Pong, Wanu Village, P.O -kanubari, District Longding, Arunachal Pradesh. That the assessee had entered into a lease agreement with Sri Wanghon Wangnowham on 12-04-2013. That the assessee was under impression that his income is exempted u/s 10(26) since he is an ST and income accrued in ST area, hence the source of income could not be produced at the time of assessment. Only the Capital gains assessed is taxable. The source of large bank deposits is agricultural income stated here. Hence tax and interest for default may please be recomputed.”

3. Before us, the Ld. DR pointed out the relevant finding from the AO’s orders and read out the decisive portion from the Ld. CIT(A) order (supra). It was pointed out by the Ld. DR that even if the fact of exemption u/s 10(26) of the Act could be proved then also it would need to be proven that the impugned deposits arose from the specified geographical area. It was pointed out that the assessee has not been able to present the full facts before either of the authorities below and thus the orders of authorities below deserve to be supported.

3.1 We have carefully considered the documents before us and we have also heard the Ld. DR. It is seen that there are two issues of relevance. First is the issue of whether the assessee qualifies for exemption u/s 10(26) of the Act. The second relevant issue is whether the impugned amount was earned from the specified geographical territory to qualify for overall exemption u/s 10(26) of the Act. The assessee has also mentioned that there is income from agricultural source with him. We find that these facts are not readily visible from the orders of authorities below and thus in the interests of substantive justice, we deem it fit to set aside the impugned order and remand this matter back to the file of Ld. AO for fresh assessment. The assessee would file all documents to prove that the deposits were made from known sources and the Ld. AO would be free to conduct any enquiry as deemed fit.

4. In result, this appeal is allowed for statistical purposes.

Order pronounced on 28.10.2025

Sd/-
[Manomohan Das]
Judicial Member

Sd/-
[Sanjay Awasthi]
Accountant Member

Dated: 28.10.2025
AK, Sr. PS

Copy of the order forwarded to:

1. The Appellant
2. The Respondent
3. CIT(A)-
4. CIT-
5. CIT(DR)

//True copy//

By order

Assistant Registrar, Kolkata Benches