

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
AGRA BENCH, AGRA**

**BEFORE : SHRI M. BALAGANESH, ACCOUNTANT MEMBER  
AND  
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

ITA No. 207/Agr/2025  
Assessment Year: 2017-18

Chander Sekhar Pahariya, Bhander, Datia, Gwalior (MP)	<b>Vs.</b>	Income-tax Officer, Ward-1(3), Gwalior.
<b>PAN : AKBPP8580H</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Assessee by	Sh. Satish Agarwal, Advocate
Department by	Sh. Anil Kumar, Sr. DR

Date of hearing	19.08.2025
Date of pronouncement	14.11.2025

**ORDER**

**PER : SUNIL KUMAR SINGH, JUDICIAL MEMBER:**

This appeal has been preferred by assessee against the impugned order dated 19.03.2025 passed in Appeal No. CIT (A), Gwalior/10595/2019-20 by the Ld. Commissioner of Income-tax (Appeals), NFAC, Delhi u/s. 250 of the Income-tax Act, 1961 (hereinafter referred to as "the Act") for the assessment year 2017-18, wherein, Id. CIT(Appeals) has partly allowed assessee's appeal by deleting certain additions in part and confirming the remaining ones.

2. Brief facts state that the assessee was engaged in the business of grain, pulses and oil seeds during the assessment year 2017-18. Assessee

filed his return of income for the year under consideration on 05.11.2017, declaring total income of Rs.9,69,150/-. Return was processed u/s. 143(1) of the Act. Subsequently, the return was selected for complete scrutiny under computer aided scrutiny selection (CASS) to examine “large turnover shown in ITR but audit report (3CD form) not filed”. Statutory notices u/s. 143(2) and 142(1) of the Act were issued and served upon the assessee. Assessee filed his submissions during the assessment proceedings. After considering assessee’s submissions, learned Assessing Officer made addition of Rs.11,03,753/- u/s. 69A as unexplained money, Rs.3,28,272/- as income from other sources, Rs.9,00,000/- as unexplained investment u/s. 69 of the Act and Rs.30,52,957/- as unexplained cash credit u/s. 68 of the Act.

3. Aggrieved, assessee preferred an appeal before learned CIT(Appeals) against the additions made by the Assessing Officer vide assessment order dated 29.12.2019 passed u/s. 143(3) of the Act, except the addition of Rs.3,28,272/-, which was added by the Assessing Officer as assessee’s income from other sources. Learned CIT(Appeals), after considering assessee’s submissions, deleted Rs.9,00,000/-, which was added by Id. Assessing Officer as unexplained investment u/s. 69 of the Act.

4. Appellant assessee has, thus, approached this Tribunal only against confirmation of remaining two additions of Rs.11,03,753/- made u/s. 69A of the Act and Rs.30,52,957/- added u/s. 68 of the Act, on the ground that learned CIT(Appeals) has erred in passing the impugned order, firstly, ignoring the fact that the cash credit of Rs.11,03,753/- was in assessee's wife's A/c. No. 1955300262 maintained with Central Bank of India, where the first A/c. holder's name is of his wife, Smt. Pushpa Pahariya, who is a separate entity. Secondly, ignoring the fact that the total purchases were made by the assessee from farmers/Kisan from Mandi Parisar, which were verified by the Assessing Officer from Mandi Katta and receipts, and further that the payments of Rs.30,52,957/- were made to farmers/agriculturists against the purchase of agricultural produce in the next financial year.

5. Perused the records and heard learned representative for assessee and learned Sr. DR for revenue.

6. The main point for determination under appeal is as to whether Ld. CIT(Appeals) has erred in confirming the addition of Rs.11,03,753/- as unexplained money and Rs.30,52,957/- as unexplained cash credit in the total income of the assessee ?

7. Learned representative for assessee has submitted that the saving bank account No. 1955300262 maintained with Central Bank of India, Bhandar belongs to assessee's wife, Smt. Pushpa Pahariya, who is a

separate entity. The sum of Rs.11,03,753/- has wrongly been added by treating it as assessee's credit. Further submitted that the A/c. No. 1955331484 maintained with the same bank, belongs to the appellant assessee and the same was shown in assessee's balance sheet.

8. Learned Sr. DR has submitted that the assessee owned the said joint saving bank A/c No. 1955300262 during the assessment proceedings, but retracted from owning the said A/c only during the first appellate proceedings. Ld. DR supported the impugned order.

9. First, we proceed to examine as to whether learned CIT(Appeals) erred in confirming addition of Rs.11,03,753/- u/s. 69A of the Act.

10. Perusal of the impugned order passed by Id. CIT(Appeals) shows that the first appellate authority could not be convinced by the assessee for want of any corroborative evidence that the credits in the aforesaid account belong to his wife, whose name is said to appear first in seriatim on the joint names in the said account, wherein disputed amount of Rs.11,03,753/- is said to have been credited. We take note of the fact mentioned at page 3 of the assessment order that assessee's account No. 1955331484 was mentioned in the audit report, which is normally submitted by the assessee's professional/CA. In the instant case, the same was submitted on 08.10.2017 during the assessment proceedings through CA Sanjay D. & Associates and was uploaded on e-filing portal on 06.11.2017 after filing of

ITR on 05.11.2017. We further notice that learned Assessing Officer accepted the audit report in view of Instruction No. F.No. 225/270/2017/ITA/II dated 31.10.2017 issued by CBDT, wherein, the due date of filing IT returns and tax audit reports were extended from 31.10.2017 to 07.11.2017. We take further note of assessee's submissions mentioned vide para 5.1(A) in the impugned order passed by Ld. CIT(Appeals) that the wife of assessee has deposited payment received from LIC and also in cash. If assessee's version is found true, assessee's wife, in such circumstances, being a separate entity, her transactions could not be clubbed with that of her husband/assessee. In such peculiar circumstances and inconsistent pleadings of assessee permitted under law, a proper verification is required to be made by the Assessing Officer to the effect as to whether the source of credit entries in the joint account No. 1955300262 relate to assessee's wife, as contended by the appellant assessee and the assessee would need an opportunity to substantiate his claim before assessing officer.

11. Secondly, we shall proceed to examine as to whether learned CIT(Appeals) has erred in confirming the addition of Rs.30,52,957/- as unexplained cash credit in the total income of the assessee.

12. Assessee's claim under this issue is as simple as that, the said agricultural produce related to farmers was purchased through Kissan

Mandi in the month of March, 2017 and the payment to the concerned farmers was made in the next financial year (April, 2017). The affidavit of five farmers submitted before the Assessing Officer were also not accepted by the Assessing Officer on the ground that all the affidavits are on common format and the date of transactions shown in the affidavit is common, i.e., 31.03.2017, whereas the assessee had shown different dates in the month of March, 2017 in his submissions. We notice that out of 54 farmers (52 in the assessment order), the names of only five farmers are mentioned who submitted affidavits before Ld. Assessing Officer. Any discrepancy observed by Ld. Assessing Officer could not led to reject the rightful claim of assessee in respect of other farmers, with whom assessee is said to have entered into transactions. During the course of arguments, a query was raised from the Bench, as to whether subsequent payments were made to all the farmers concerned ?. Ld. AR responded in positive and assured to file such list along with bank statements. Assessee's additional written submission was received on 25.08.2025 in the Registry, post completion of arguments on 19.08.2025, along with a list of 54 farmers with the description of their names, item, weight, number, and amount of payment to a total of Rs.30,52,997/- (Rs.30,52,957 as per assessment order). We further note that confirmation of accounts of all the 54 farmers along with the bank statements of assessee's O/D A/c No. 63003291351

maintained with State Bank of India are placed on record. We notice that this SBI A/c No. also finds a mention at para 4 of the assessment order. All these details and evidences require verification at the end of Ld. Assessing Officer. Assessee would also need an opportunity to substantiate his claim before the assessing officer.

13. In view of our observations made herein above, we deem it just and proper to restore the matter back to the file of Ld. Assessing Officer who, shall pass order a fresh in accordance with law after verification of what we have stated herein above and after considering assessee's submission. Assessee is directed to make his submission and supporting evidence to substantiate his claim before the learned Assessing Officer. Needless to say that the Assessing Officer shall ensure the compliance of the principles of natural justice. The appeal is liable to be allowed for statistical purposes.

14. In the result, appeal is allowed for statistical purposes.

***Order pronounced in the open court on 14.11.2025.***

***Sd/-***  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**

***Sd/-***  
**(SUNIL KUMAR SINGH)**  
**JUDICIAL MEMBER**

Dated: 14.11.2025

\*aks/-

Copy forwarded to:

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

Asst. Registrar, ITAT, Agra