

आयकर अपीलीय अधिकरण न्यायपीठ "एक-सदस्य" मामला रायपुर में

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

**श्री पार्थ सारथी चौधरी, न्यायिक सदस्य के समक्ष
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER**

आयकर अपील सं./ITA No.684/RPR/2025

निर्धारण वर्ष / Assessment Year : 2020-21

Mamta Patel
E-802, Wallfort Height,
Bhatagaon, Raipur-492 015 (C.G.)
PAN: AHRPP8532E

.....अपीलार्थी / Appellant

बनाम / V/s.

The Assistant Commissioner of Income Tax,
Circle-1(1), Raipur (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Mrs. Dimple Warylani, CA
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 04.12.2025

घोषणा की तारीख / Date of Pronouncement : 04.12.2025

आदेश / ORDER**PER PARTHA SARATHI CHAUDHURY, JM**

The present appeal preferred by the assessee emanates from the order of the Ld.CIT(Appeals)/NFAC, Delhi dated 11.09.2025 for the assessment year 2020-21 as per the following grounds of appeal:

“1. On the facts and circumstances of the case, the Learned CIT(A) (NFAC) has erred in upholding the order of the Learned Assessing Officer ('AO'), wherein the Assessing Officer has erred in making addition of Rs.5,07,690/- under section 69 of the I.T. Act, 1961 on account of unexplained investment by holding that cash amount has been given for purchase of immovable property which is not recorded in the books of accounts. The addition made by the Assessing Officer and sustained by the CIT-Appeal is unjustified, unwarranted and uncalled for.

2. The appellant reserves the right to add, amend or alter any grounds of appeal at any time of hearing.”

2. Brief facts in this case are that the assessee had purchased one unit Flat i.e. E-802 at Wallfort Heights, Bhatagaon, Raipur from Chhattisgarh Project (India) Pvt. Ltd. There was search and seizure action carried out in the case of Wallfort Group and others who are the owners of the said Chhattisgarh Project (India) Pvt. Ltd. on 03.11.2023. During the course of search proceedings various evidences were found which revealed that the group had indulged in tax evasion by carrying out sale of flats/plots in cash to various buyers and the same has not been offered to taxation. One such evidence was an excel sheet named WH 2020 NOT REG.xlsx which

was retrieved from email id of one of the director of the said Wallfort Properties Pvt. Ltd. namely, Shri Pankaj Lahoti who is also a director in Chhattisgarh Project (India) Pvt. Ltd. The A.O writes in the assessment order that analysis of the said excel sheet revealed that the group has received cash in addition to consideration price reported in registry of various units sold in the Wallfort Height project of the group and hence, this cash forms part of the revenue of the group which has not been disclosed to the department for taxation. The A.O observed and held that since this Wallfort Heights project is part of Chhattisgarh Project (India) Pvt. Ltd. and the assessee viz. Mamta Patel had purchased one unit flat from the said company, therefore, it is ascertained that the assessee has also indulged in the cash transaction and accordingly, the A.O held as follows:

“8. As per discussion made above, it is clear that the assessee has made payments in cash amounting to Rs.5,07,690/- during the year under consideration for purchasing property-E802 in Wallfort Heights. The aforesaid findings of cash payment cannot be denied which have already been accepted by the Wallfort group as a result of search & seizure action. Since the assessee has failed to provide the source of cash payments of Rs.5.07 600/- for purchasing of immovable property, therefore provision of section 69 is attracted in the case of the assessee.”

3. Similarly, the Ld. CIT(Appeals)/NFAC had upheld the said addition by observing as follows:

“4.3 The appellant filed a return of income for the Assessment Year (AY) 2020-21 declaring a total income of Rs.17,32,640/-. Subsequently, information was received from the Investigation Wing of the department concerning a search and seizure action carried out in the case of the Wallfort Group on 03.11.2023. During the search proceedings, an excel sheet titled "WH 2020 NOT REG.xlsx" was seized, which evidenced that the Wallfort Group was engaged in receiving cash consideration for the sale of flats and plots, in addition to the amount reported in the registry documents. This evidence was corroborated by the statement recorded under Section 132(4) of the Income Tax Act, 1961, of Shri Pankaj Lahoti, a Director of the Wallfort Group, on 05.11.2023. In his statement, Shri Lahoti admitted that the group receives 10-15% of the total sale consideration in cash. Based on the seized data, it was ascertained that the appellant had made a cash payment of Rs.5,07,690/- to the Wallfort Group during the relevant financial year for the purchase of immovable property. During the assessment proceedings, the Assessing Officer (AO) provided a full opportunity to the appellant to substantiate the source of this cash payment with corroborative documentary evidence. However, the appellant failed to provide any satisfactory explanation or supporting documentation. Consequently, the AO invoked the provisions of Section 69 of the Income Tax Act, 1961 and added the said amount of Rs.5,07,690/- to the total income of the appellant as an unexplained investment. I have carefully considered the written submissions of the appellant and have perused the assessment records, including the findings of the AO and the seized material. The crux of the matter lies in the appellant's failure to provide a credible explanation for the source of the cash payment of Rs.5,07,690/-. The AO's action was not based on mere suspicion but on concrete evidence seized during a search and seizure operation. The admission made by a key group director, Shri Pankaj Lahoti, under oath in his statement recorded under Section 132(4) provides a strong foundation for the AO's action. This admission, which has not been retracted, directly links the Wallfort Group to a practice of receiving cash payments for property sales. Furthermore, the seized excel sheet specifically points to the appellant's

involvement in such a transaction, detailing the payment of a cash amount of Rs.5,07,690/-. The onus was therefore on the appellant to demonstrate the source of this investment. The appellant's failure to provide any documentary evidence, such as bank statements, withdrawal slips, or a valid explanation for the source of these funds, leaves the investment as unexplained. Section 69 of the Income Tax Act, 1961, clearly provides that where the appellant has made investments that are not recorded in the books of account and the source of which is not explained to the satisfaction of the Assessing Officer, the value of such investments may be deemed to be the income of the appellant. The AO has correctly applied this provision based on the facts and circumstances of the case. The addition is based on tangible evidence and the appellant's inability to discharge the burden of proof. In light of the above discussion, the grounds raised by the appellant are not found to be tenable. The addition of Rs.5,07,690/- made by the Assessing Officer under the provisions of Section 69 of the Income Tax Act, 1961, is held to be fully justified. Consequently, the Ground of appeal related to issue is hereby dismissed.

5. In the result, the appeal stands dismissed.”

4. At the time of hearing, the Ld. Counsel for the assessee vehemently contended that they have purchased a flat unit from the said Chhattisgarh Project (India) Pvt. Ltd. which is part and parcel of the Wallfort Group. However, the assessee had paid entire amount of money of sale consideration through banking channels. In this regard, it was also submitted by Ld. Counsel that they had furnished all the relevant evidences before the A.O and the said evidences were even there on record before the Ld. CIT(Appeals)/NFAC. Demonstrating the same, the Ld. Counsel brought to the notice of the Bench at Page 4 of the paper book,

wherein, they had filed bifurcation of the entire amount and the same is extracted as follows:

Date	Amount	Description
12.06.2019	Rs.1,00,000/-	Advance paid by cheque for booking
19.07.2019	Rs.74,14,500/-	Rs.59,76,000/- from SBI Home Loan and Rs.14,38,500/- from SBI Saving account
22.07.2019	Rs.5,07,690/- (alleged by the AO to be paid in cash)	a) Stamp duty, registration charges and legal:- Rs.4,42,750/- b) Maintenance charges, Society formation and electricity connection (via RTGS) :-Rs.64,940/- Total RTGS made Rs.5,07,748/- dated 22.07.2019 Including RTGS Charges [(Rs.5,07,690/- +58.42 (RTGS Charges)) Copy of registered deed, agreement copy and relevant bank statement is enclosed herewith to evident the same. Kindly refer Annexure-2,3,4 respectively.
Total	Rs.80,22,190/-	

It is pertinent to note that the amount allegedly showing as invested in cash of Rs.5,07,690/- in the excel sheet, found during the course of search in Wallfort Group, exactly matches the RTGS transaction of Rs.5,07,690/-, clearly substantiating that no cash payment was involved. Copy of Bank statement highlighting the transaction is enclosed in Annexure-4. Kindly refer the same. **Further in the said excel sheet which is reproduced in page 20 of the assessment order, where the total amount comes to Rs.80,22,190/- exactly match with the total amount paid by the assessee through banking channel and is recorded in registered sale deed as well. It clearly reflects that the said amount of Rs.5,07,690/- has been inadvertently shown in cash column of the excel sheet found from the Wallfort Group. This fact has also been accepted by the seller i.e. Chhattisgarh Project (India) Pvt. Ltd. through their letter dated 02.04.2025, a copy of which is enclosed herewith for your ready reference. Kindly refer Annexure-5. Since the alleged amount of Rs.5,07,690/- has been made through banking**

channel and duly recorded in the books of accounts, therefore, the addition made u/s. 69 deserves to be deleted.”

5. The aforesaid document forms part of the submission of the assessee made before the Ld. CIT(Appeals)/NFAC. It is discernable from the afore-stated that the alleged cash payment of Rs.5,07,690/- by the A.O as per excel sheet exactly matches with the RTGS transaction of Rs.5,07,690/-, which therefore, was clear evidence before the Revenue authorities that no cash payment was involved.

6. The Ld. Counsel also had filed the copy of the bank statement of UCO Bank, Telibandha Branch, in which, it is clear that the assessee had made RTGS to the said company i.e. Chhattisgarh Project (India) Pvt. Ltd. amounting to Rs.5,07,748.42 on 22.07.2019. The same is extracted as follows:

28-06-2019 16:06:2019 NEFT/ DIRECTORATE OF TREASURY ACCOUNTS AN 1,30,595.00 1,55,644.49Cr RTGSUSER
SYSTEM

Page Total Credit : 14,34,252.00
Page Total Debit : 13,20,109.90

15-07-2024 10:55:00 UCO BANK TELIBANDHA BRANCH Page 3
Customer Account Ledger Report from 01-04-2019 to 31-03-2020

Service Outlet : 2098 GOVT.POLYTECHNIC COLL,DURG
Account No : 90170110001042 JMR MAMTA PATEL
GL Sub Head Code : 12010 SAVINGS ORDINARY
B/F Balance : 1,55,644.49Cr
Peg Review date : 31-12-2019

GL. Verified Date User Id	Value Date	Instrument Number	Particulars	Transaction Debit Amount	Transaction Credit Amount	Balance	Entry User Id
30-06-2019 RK641140	30-06-2019		20980310050170 : Autosweep to	1,00,000.00		55,644.49Cr	SYSTEM
04-07-2019 SYSTEM	04-07-2019		NEFT/ CHHATTISGARH SWAMI VIVEKANAND TECHN		882.00	56,526.49Cr	RTGSUSER
08-07-2019 SYSTEM	01-07-2019		90170110001042:Inf.Pd:01-04-2019 to 30-06-2019		759.00	57,285.49Cr	APPS1
22-07-2019 M055761	22-07-2019		BY CASH		75,000.00	1,32,285.49Cr	SS042022
22-07-2019 AV066299	22-07-2019	22-07-2019000003	RTGS/CHHATTISGARH PROJECT	5,07,748.42		3,75,462.93Dr	M0038443
22-07-2019 PG044367	22-07-2019		112197 MAINA SALES AND MARKETING	10,000.00		3,85,462.93Dr	C0036331
22-07-2019 SYSTEM	22-07-2019		Sweep Trf From: 209803100330475		39,609.00	3,45,853.93Dr	SYSTEM
22-07-2019 SYSTEM	22-07-2019		Sweep Trf From: 20980310050170		1,00,000.00	2,45,853.93Dr	SYSTEM
22-07-2019 SYSTEM	22-07-2019		Sweep Trf From: 20980310048887		1,55,887.00	89,966.93Dr	SYSTEM
22-07-2019 SYSTEM	22-07-2019		Sweep Trf From: 20980310049358		1,00,370.00	10,493.07Cr	SYSTEM
22-07-2019 SYSTEM	22-07-2019		Sweep Trf From: 20980310044619		1,529.00	11,932.07Cr	SYSTEM
22-07-2019 SYSTEM	22-07-2019		*20980310044629*: Rev Sweep From		5.00	11,937.07Cr	M0038443
22-07-2019 SYSTEM	22-07-2019		*20980310048887*: Rev Sweep From		388.00	12,335.07Cr	M0038443
22-07-2019 SYSTEM	22-07-2019		*20980310049358*: Rev Sweep From		256.00	12,591.07Cr	M0038443

7. The Ld. Counsel for the assessee has also brought on record in the paper book at Page 87, the confirmation from Chhattisgarh Project (India) Pvt. Ltd. which reads as follows:



Chhattishgarh Project (India) Pvt. Ltd.

204/205, Wallfort Ozon, Second Floor, Near Fafadih Chowk, RAIPUR - 492 001
Ph. : 0771-2880131/132/134, Email : wgarden@rediffmail.com

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To,
Mamta Patel,
E-802, Wallfort Heights
Bhatagaon, Raipur

Date: 02/04/2025

Sub: Reply to your letter dated 18.02.2025 & 01.04.2025

Dear Mam,


The point wise reply to your concern raised in latter dated 18.02.2025 are as under :-

1. The mismatch as pointed out in your letter of Rs.58/- in transection dated 22.07.2019 may be due to bank charges deducted by bank. We have received Rs.507690/- in our bank account & your account is credited by same amount in our books. Further, we are enclosing herewith the confirmation of your account for F.Y.2019-20 with proper seal & sign.
2. In respect of cash transection of Rs.507690/- we want to say that we have not received any cash from you against sale of Apartment No E-802. The above amount is received in cheque only against Stamp & Other charges, which can be well verified with account confirmation attached with this letter. In respect of excel sheet "WH 2020 NOTREG.xlsx" as intimated to you by income tax authorities, we want to say that the above amount of Rs.507690/- may indivertibly mentioned in cash column as against cheque column.
3. Further, through this latter we declare that our company Chhattisgarh Projects Pvt Ltd has not received any cash against sell of Apartment No. E-802.

Thank You

With Regards

For, Chhattisgarh Projects India Pvt Ltd


Pankaj Lahoti

Director

8. On perusal of the aforesaid confirmation, it is crystal clear that Vendor Company has received an amount of Rs.5,07,690/- in their bank account from purchaser/assessee and furthermore, in respect of this amount, the confirmation reveals that the vendor has not received any cash from the assessee/purchaser. That in spite of this document being filed before the A.O just on the basis of the excel sheet document which was found during the course of search on third party premises i.e. in the premises of Wallfort Group, the A.O has arbitrarily made the addition in the hands of the assessee contending cash payments. None of the authorities has brought on record any direct evidence of cash payment by the assessee and what is the benefit which the assessee could get through such cash payment while purchasing flat unit, no such findings have been recorded either by the A.O or by the Ld. CIT(Appeals)/NFAC. It was the information that was gathered by the department through search in the third party premises and how that is related to the assessee for making such addition, there is no reasoning or evidence to substantiate the same in the orders of the revenue authorities.

9. On contrary, the assessee had furnished before the A.O confirmation from the vendor company that they have not received any cash from the assessee and that they have got entire money through banking transaction. In fact, the bank statement of the UCO Bank, Telibandha Branch, Raipur of the assessee that clearly shows RTGS of the

said amount which was inadvertently added by the A.O stating it to be a cash payment. The mistake committed by the A.O was further carried on by the Ld. CIT(Appeals)/NFAC without adhering to the provisions of Section 250(4) & (6) of the Act and without any enquiry or verification of the facts, the said authority has summarily and arbitrarily upheld the addition without independent application of mind. This is more strange, when all evidences have been furnished by the assessee demonstrating no cash payment and the assessee had filed bank statements, confirmations, in such case the reasons are best known to the Revenue for making additions in the hands of the assessee alleging cash payments even without any corroborative evidence placed on record, such an order becomes inherently perverse, arbitrary and bad in law. Accordingly, I set-aside the order of the Ld. CIT(Appeals)/NFAC and direct the A.O to delete the additions from the hands of the assessee while providing appeal effect of this order.

10. Before parting, it is also observed that search had taken place in third party premises wherein the informations were collected by the department regarding the assessee, in such scenario, the issue is no more *res-integra* for applicability of correct provision while framing assessment which should be u/s. 153C of the Act. In this case, the assessment had been completed u/s. 147 of the Act. However, since the matter has been

adjudicated on merits itself, therefore, this Bench does not find any justification to travel further on this legal issue which is hereby rested.

11. As per the above terms, grounds of appeal of the assessee stands allowed.

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

Order pronounced in open court on 04th day of December, 2025.

Sd/-
(PARTHA SARATHI CHAUDHURY)
न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर / Raipur; दिनांक / Dated : 04th December, 2025.

SB, Sr. PS

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT-1, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "एक-सदस्य" बेंच,
रायपुर / DR, ITAT, "SMC" Bench, Raipur.
5. गार्ड फाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur