

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.734/RPR/2025  
निर्धारण वर्ष / Assessment Year: 2016-17**

Shri Padamraj Singh, Darri,  
Hatranka, Bemetara,  
491338, Chhattisgarh.  
PAN: CKAPB0951P

.....अपीलार्थी / Appellant

**बनाम / V/s.**

Income Tax Officer,  
Ward-Kawardha, Income  
Tax Office, 18/32 Bunglow,  
Sector-6, Bhilai, 490006  
Chhattisgarh.

.....प्रत्यर्थी / Respondent

Assessee by : None (Adjournment Application)

Revenue by : Dr. Priyanka Patel, Sr.DR

सुनवाई की तारीख / Date of Hearing : 09.12.2025

घोषणा की तारीख / Date of Pronouncement : 09.12.2025

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

The captioned appeal preferred by the assessee emanates from the order of the Ld.CIT(A)/NFAC, Delhi dated 23.09.2025 for the assessment year 2016-17 as per the following grounds of appeal:

*“1. On the fact and circumstances of the case, the Id. A.O. Ward Kawardha, has grossly erred in disallowing part of the closing cash in hand amounting to 27,00,000/- as on 31.03.2016, despite the same being duly reflected in the balance sheet and supported by explanation and documentary evidences furnished by the appellant And ADDL/JCIT(A)-3, CHENNAI has erred for confirming the order of Id. Assessing officer.*

*2. On the fact and circumstances of the case, the A.O. Ward Kawardha, has erred in disallowing part of the closing caste in hand amounting to Rs.7,00,000/- as on 31.03.2016 without Invoking any specific provision of the Income-tax Act, 1961 (such as Section 68 or Section 694) while making the impugned disallowance, thereby rendering the addition without jurisdiction and unsustainable in law.*

*3. That both the authorities below have failed to appreciate that the appellant had discharged the onus by furnishing proper evidence and supporting documents, and no adverse material was brought on record by the Assessing Officer to rebut the same.*

*4. That, assessee reserves the right to add, amend, alter or withdraw any ground/grounds of appeal at the time of hearing.”*

**2.** That when the matter was called out for hearing, none appeared for the assessee, however, an adjournment petition had been filed, which is not admitted. The submissions of the Ld. Sr. DR are recorded and upon careful consideration of the documents on record, the matter is heard on merits.

**3.** The relevant facts at the time of assessment proceeding on the perusal of the balance sheet filed by the assessee, it was noted by the AO that the assessee had shown cash in hand of Rs.7,41,123/- and sundry debtors of Rs.2,25,240/-. Necessary notices were issued to the assessee asking him to furnish explanation on these issues. The assessee had filed written submissions along with evidences stating that he is a farmer having three acres of land wherein he has cultivated crops and seasonable vegetables. It was further submitted by the assessee that the cash in hand had been accumulated through savings of the assessee and for his daughter's marriage he has kept that amount with him. Further, the assessee explained that sundry debtors was with regard to one local farmer Shri Moradwaj Verma, who had purchased Bamboo from him and an amount of Rs.2,25,400/- was outstanding against his name. The AO, not being satisfied further deputed an Inspector of the Department for

physical verification of the contention made by the assessee. It is clearly evident from the assessment order that the Inspector writes in his report that indeed the assessee is an agriculturist having three acres of land and also he is having certain farm equipment for the necessary agricultural activities. That, inspite of all these, without any reasoning, the AO dismissed the claim of the assessee and added the cash in hand of Rs.7,41,123/- and sundry debtors of Rs.2,25,240/- to the total income of the assessee.

**4.** When the matter reached to the level of CIT(A)/NFAC, the said authority accepted the contention with regard to the sale of Bamboo to Shri Moradwaj Verma and therefore, deleted the addition on account of sundry debtors of Rs.2,25,400/-, but upheld the addition of cash in hand of Rs.7,41,123/- as made by the AO.

**5.** This is a case where the assessee is a farmer having three acres of land on which he is cultivating certain vegetables and other crops. He is also having various farm equipment necessary for cultivation. These facts are also akin to the report furnished by the Inspector of the Department to the AO. Regarding addition of cash in hand, the assessee, therefore, has explained of having such amount through savings from earning through agricultural activities and sales of produce. He had also submitted that he had kept that amount with him for the purpose of his daughter's marriage

and therefore, had not deposited the same in the bank account. The revenue has not brought any evidence to negate the contention of the assessee. In fact, the revenue accepts that the assessee is a farmer and his earning from agricultural activities. Therefore, having savings from such agricultural income cannot to be doubted in the hands of the assessee without any evidence on record placed by the revenue. The Department has also not stated that the assessee was having some unexplained source of income. That when it is accepted that the income of the assessee is only from the agricultural activities and farming, when the assessee has explained his source of income as well as that such amount he has accumulated and saved for his daughter's wedding, when the Department has not brought on record any specific evidence to deny such contention of the assessee, in such circumstances, the addition of Rs.7,41,123/- in the hands of the assessee is arbitrary, bad in law and liable to be deleted. I order accordingly.

**6.** In view thereof, the order of CIT(A)/NFAC is set-aside and I direct the AO to delete the addition from the hands of the assessee while providing the appeal effect of this order.

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

Order pronounced in open court on 9<sup>th</sup> day of December, 2025.

Sd/-

**(PARTHA SARATHI CHAUDHURY)**  
न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर / Raipur; दिनांक / Dated : 9<sup>th</sup> December, 2025.  
HKS, PS

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

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

आदेशानुसार / BY ORDER,

//True copy//

Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur