

**IN THE INCOME TAX APPELLATE TRIBUNAL,
AGRA (SMC) BENCH, AGRA**

BEFORE : SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER

**ITA No.334/Agr/2025
Assessment Year: 2014-15**

Satya Prakash, Village and post-Dhaura, Etmadpur, Agra.	Vs.	Income-tax Officer, Ward 2(1)(2), Agra.
PAN :CTQPS7503D		
(Appellant)		(Respondent)

Assessee by	None
Department by	Shri Shailendra Srivastava, Sr. DR

Date of hearing	16.12.2025
Date of pronouncement	19.12.2025

ORDER

The assessee has filed this appeal against the order of the learned Commissioner of Income-tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi dated 04.02.2025 for the Assessment Year 2014-15.

2. At the time of hearing it was brought to my notice that the present appeal has been filed by assessee with a delay of about 50 days. Assessee has filed a delay condonation application with the prayer that the said delay was not intentional, but on account of the fact that the counsel, engaged by assessee, did not inform the assessee about dismissal of first appeal and the assessee was unaware of the further procedure to file the appeal. The application is supported by uncontroverted affidavit of the assessee. The

delay caused in filing the appeal does not appear intentional or deliberate, hence, condoned.

3. Brief facts of the case are, the assessee has not filed its return of income for the assessment year 2014-15. Assessing Officer observed that the assessee is a farmer and his sole earning is from agriculture produce or from sale/purchase of rural agriculture land. Assessing Officer received information from DDIT(Inv.) and from insight portal that the assessee has deposited cash of Rs.25,00,000/- in his bank account maintained with State Bank of India, Bhagupur Branch, Agra. Since the assessee has not filed return of income and considering the information available on record, proceedings u/s. 147 of the Income-tax Act, 1961 ("the Act" for short) were initiated and notice u/s. 148 was issued after obtaining approval from the competent authority. Subsequently, notices u/s. 142(1) of the Act were issued and served on the assessee. Since, there was no compliance on the part of the assessee, a final notice u/s. 144 was issued to the assessee. Assessee has submitted detailed submissions. Based on the submissions, the Assessing Officer observed that the assessee has sold two plots of land at the rate of 4.50 lacs each and another plot of land at Rs.5.15 lakhs. He observed from the bank statement maintained by the assessee with State Bank of India that the assessee has deposited Rs.25,00,000/- on

24.04.2013 and further deposited several amounts, which are listed by the Assessing Officer at page 3 and 4 of the assessment order. He also observed that the assessee has made several cash withdrawals on various dates, which is reproduced at page 4 of the assessment order. Further, by analyzing the pattern of cash deposit and cash withdrawal, he rejected the submissions of the assessee by observing that the assessee has deposited the cash after two months, which is unreasonable and the assessee has kept the cash of huge amount with him. Accordingly, he rejected the written submissions of the assessee as not satisfactory and proceeded to make addition of Rs.25,00,000/- as unexplained money u/s. 69A of the Act. Further, he observed that the assessee has filed his return of income declaring total income of Rs.1,97,990/-. He observed that the assessee has not filed the return of income and has filed the same for the purpose of initiation of proceedings u/s. 147 of the Act. Accordingly, he treated the return of income as invalid and the income disclosed by the assessee as undisclosed income to the extent of Rs.1,97,990/-.

4. Aggrieved with the above order, assessee preferred an appeal before NFAC and filed a detailed submission. After considering the detailed submission of the assessee, learned CIT(Appeals) sustained the addition made by the Assessing Officer.

5. Aggrieved, the assessee is in appeal before us, raising following grounds of appeal:

“1. On the facts and circumstances of the case and in law, the Ld. CIT(A)-NFAC erred in dismissing the appeal and confirming the income of Rs. 2697990/- towards unexplained money u/s 69A of the IT Act, 1961, which is not justified.

2. On the facts and circumstances of the case and in law, the assessee has already explained the source of cash deposited in bank account but the Learned NFAC did not considered the same and invoke section 69A on Explained source of cash deposit.

3. The Ld. CIT(A) has erred on the facts of the case and in law in confirming the addition made by the assessing officer of Rs. 2697990/- out of Rs. 14,15,000/- cash deposit into bank out of the sale proceeds in spite of that transaction has recorded in books of accounts with proper source of deposit.

4. On the facts and circumstances of the case and in law, there is no boundation in income tax act to kept cash at home for any number of days. The Learned NFAC does not put its own thoughts that the assessee does not hold cash at home for more than 2 months. Its is against the principal of natural justice.”

6. None is present on behalf of the assessee. The contention of the assessee before the authorities below has been that the assessee is a farmer and regularly deals in purchase and sale of land. He submitted before authorities that the assessee has sold three plots of land during the year and sale proceeds were deposited in his bank account and the source of other deposits are from withdrawals from the bank which are not utilized by the assessee. He submitted that the source of cash is already disclosed before the lower authorities. The reasons for disallowance are that the assessee is not expected to keep the huge cash in hand instead of

depositing the same. He submitted that the delay in deposit of two months is not unreasonable. He prayed that the addition may be deleted.

7. On the other hand, learned DR relied on the findings of the lower authorities.

8. Considered the submissions of learned DR and material available on record.

9. We observe that the Assessing Officer himself has observed that the assessee has made the cash deposits during the year and also cash withdrawals made by the assessee, which is reproduced by the Assessing Officer at page 3 & 4 of the assessment order. We observe that the assessee has deposited cash during the year of Rs.49,10,000/- and at the same time, the assessee has withdrawn from bank on various dates, as listed by the Assessing Officer, the total of Rs.73,00,000/- . We observe that the assessee has withdrawn cash from the bank throughout the year to the extent of Rs.73,00,000/- and re-deposited the part of the withdrawals in his bank account. It clearly indicates that the assessee has re-deposited the same after withdrawal and certain cash was kept in his hand for a period of more than two months. That cannot be a reason to make the addition. The courts have held that when source of cash is already brought on record that it is out of bank withdrawals and the assessee kept the cash

in hand for certain period of time, it cannot be a reason to make the addition. Therefore, we are inclined to allow the grounds raised by the assessee with the observation that the source of cash is already explained by the assessee that it was out of cash withdrawn from the bank. The assessee has already declared the income in his return of income in response to the 148 notice. The same may be taxed as per law.

10. In the result, appeal preferred by assessee is allowed.

Order pronounced in the open court on 19.12.2025.

Sd/-

**(S. RIFAUR RAHMAN)
ACCOUNTANT MEMBER**

Dated:

*aks/-

Copy forwarded to:

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

Asst. Registrar, ITAT, Agra