

**IN THE INCOME TAX APPELLATE TRIBUNAL, RAJKOT BENCH, RAJKOT
BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER
AND
SHRI DINESH MOHAN SINHA, JUDICIAL MEMBER**

**आयकरअपीलसं./ITA No. 286/RJT/2025
(Assessment Year: 2020-21)**

Vallabhbhai Nebhabhai Gojiya, Bankodi, Jam Kalyanpur, Dist: Devbhoomi, Dwarka-361315	Vs.	The CIT(A), National Faceless Appeal Centre (NFAC), Delhi – 110003
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AJGPG9688P		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

निर्धारितकीओरसे/Assessee by : Shri Mahesh Paun, Ld. AR
राजस्वकीओरसे/Revenue by : Shri Abhimanyu Singh Yadav, Sr. DR
सुनवाईकीतारीख/Date of Hearing : 08/12/2025
घोषणाकीतारीख/Date of Pronouncement : 31/12/2025

आदेश/ORDER

Per, Dr. Arjun Lal Saini, AM:

The present appeal has been filed by the Assessee, against the order passed by the Learned Commissioner of Income Tax (Appeal), National Faceless Appeal, Centre (NFAC), Delhi [hereinafter referred to as “CIT(A)”] dated 12.02.2025 arising in the matter of assessment order passed u/s. 143(3) of the Income Tax Act, 1961 (here-in-after referred to as “the Act”) relevant to the Assessment Year 2020-21.

2. The solitary grievance of the assessee in this appeal is that Ld. Commissioner of Appeals (NFAC) erred by not considering the fact that Agricultural income of Rs. 6,39,780/- is having recorded in the books of



accounts, the addition made by the assessing officer should not be confirmed by ld.CIT(A).

3. Succinctly, the factual panorama of the case is that assessee before us is an Individual. The had e-filed his return of income in Form No. ITR-3, on 02/01/2021, declaring total income at Rs.3,01,230/-. The assessee's case was selected for scrutiny for assessment year (AY) 2020-21 under CASS to verify the genuineness of the agricultural income and related transactions in view of agricultural land holding and other factors. Accordingly, notice u/s 143(2) was issued on 29/06/2021, which was duly served on the assessee. Thereafter notices u/s 142(1) of the Act, along with detailed questionnaire were issued and served upon the assessee.

4. In compliance to the notices issued, the assessee has submitted its reply before the assessing officer along with documentary evidences, which is reproduced below:

"The assessee main source of income is agricultural income and side income are rent income and other job work income. In ITR total agricultural income shown is Rs. 34,08,958/- and expenses amounting Rs. 7,95,000/-. Now this is purely a clerical mistake done while filing ITR. We have not accounted this amount as income as out income in books. Actual agriculture income is only Rs. 6,39,780/-. Now here below I have explained in details that how that clerical mistake was done while filing ITR.

(i) Rs. 34,08,958/- is entered wrongly as data entry error or mistake and is nothing but total of opening balance of capital account, that is, Rs 27,69,178/- and actual agriculture income Rs. 6,39,780/-. Total of these two is Rs. 34,08,958/-, which is wrongly shown as agriculture income while filing ITR which is purely a mistake and just data entry error (copy of capital account attached herewith).



(ii)Rs. 7,95,000/- shown as agriculture expenses is nothing but total withdrawal shown in capital account which you will find in capital account attached herewith.

(iii)Further total capital of assessee as on 31/03/2020 as per ITR filed is 29,15,186/- which clearly shows that agriculture income cannot be greater than closing capital as finally income is transferred to capital account only and capital is summation of income of past all years.

So-total actual net agriculture income of assessee is Rs. 6,39,780/- only and not Rs. 34,08,958/-.

5. The assessing officer had gone through the above reply of the assessee and noticed that the assessee has merely submitted that during the year under consideration his agricultural income is Rs. 6,39,780/- only, however, the same was inadvertently declared at Rs. 34,08,958/- due to clerical error. The assessee, to substantiate his claim, has not submitted any documentary evidences. In absence of any relevant documents the assessee, vide notice dated 14.03.2022 was requested to show cause as to why an addition of Rs. 34,08,958/- should not be made to his total income.

6. In response to the above notice of the assessing officer, the assessee submitted again, its reply along with documentary evidences, which is reproduced below:

"I, VALLBHBHAI NEBHABHAI GOJIYA has received SCN dated 14.03.2022 against my earlier response. In response to SCN issued dated 14th March, 2022 with above mentioned reference, I would like to clarify further as follow-

As per your remark in Para no. 4 (i) and (ii) of SCN in response to our earlier reply I would like to clarify as follow-In original reply I had mentioned that agriculture income is 6,39,780.00 and not 34,08,958.00 and it is purely data entry error. Here I would like to clarify that this agriculture income of 6,39,780.00 which I had mention in earlier response is not of AY 2019-20 but only of current ITR i.e., AY 2020-21. You might have wrongly considered this as of AY 2019-20 while rejecting our response. Yes, we had no agriculture income in AY 2019-20



and I have no where mentioned in my earlier response that we have agriculture income in AY 2019-20. To remove any doubt, here I am providing capital account for further clarification which I have also provided in earlier submission.

*CAPITAL ACCOUNT OF VALLBHBHAI NEBHABHAI GOJIYA AS ON
31.03.2020*

<i>Particular</i>	<i>Amount</i>	<i>Particular</i>	<i>Amount</i>
<i>To Withdrawals</i>	<i>7,95,000.00</i>	<i>By Opening Balance 01.04.2019</i>	<i>27,69,178.00</i>
<i>Closing To Balance 31.03.2020</i>	<i>29, 15,386.00</i>	<i>By Agriculture Income of FY 2019-20 (AY 2020-21)</i>	<i>6,39,780.00</i>
		<i>By Profit For the year</i>	<i>3,01,228.00</i>
<i>TOTAL.....</i>	<i>37,10,386.00</i>	<i>TOTAL.....</i>	<i>37,10,386.00</i>

*Now, as mentioned above in capital account total of Opening capital balance and actual Agriculture income (For AY 2020-21) i.e 27,69,178.00 (Opening Capital) + 6,39,780.00 (Agriculture income) is 34,08,958.00 which is wrongly entered while filing ITR and Agriculture Expense of 7,95,000.00 mentioned while filling ITR is nothing but Total Withdrawal as mention above in capital account. **So, On the basis of above I can clarify that it was purely a mistake and no such income was recognized in books and only actual income i.e 6,39,780.00 was recognized in books of account which already I have produced in earlier response.** With this response I am providing proof of agriculture income as we have considered in books. Further, we were also not aware about this error otherwise we would have revised the return earlier only. We further request you to allow us to rectify this return to correct the error.*

2. In response to your query in para 4(iii) we have attached supporting to justify agriculture income.

3. In response to para 4(iv) I would like to clarify that we have not revised return as we were not even aware about this error till date we have received notice u/s 143(2). And as per income tax provision we can not revise return after issuance of notice u/s 143(2). I here request you to allow to rectify return to correct error.

Further clarification:

After considering all income, Withdrawals and agriculture income of FY 2019-20 (AY 2020-21). My Total Capital account closing balance as on 31.03.2020 is 29,15,386.00 than how we can have agriculture income of 34,08,958.00 in that Financial Year! So, it was purely data entry error and nothing else and actual agriculture income which we actually have considered in our books of account is 6,39,780.00 only.



On the basis of above explanation, once again I give assurance that my agriculture income is only 6,39,780.00 only and there was some error in data entry and nothing else. So, I request you to accept this response and drop the proceeding against me.”

7. The assessing officer, having gone through the above reply of the assessee, held that addition to the tune of Rs. 27,69,178/- (Rs.34,08,958-Rs.6,39,780), should not be made in the hands of the assessee, as the assessee has furnished the sufficient evidences. However, assessing officer made the addition in the hands of the assessee to the tune of Rs.6,39,780/-.

8. Aggrieved by the order of the Assessing Officer, the assessee carried the matter in appeal before the CIT(A), who has confirmed the action of the Assessing Officer, therefore, assessee is in appeal before this Tribunal.

9. Learned Counsel for the assessee, vehemently argued that assessee has submitted before assessing officer, every kind of document and evidence to prove the claim of agricultural income, such as ownership, documents of the agricultural land, sale of agricultural produce, expenses of agricultural activities, however, despite of this, the assessing officer made addition to the tune of Rs.6,39,780/-. The Learned Counsel without prejudice to the above, further argued that the Bench may make an ad-hoc estimated addition, to meet the end of Justice, in the hands of the assessee, considering the smallness of the amount.

10. On the other hand, the Id. D.R. for the Revenue submitted that addition made by the assessing officer is only to the tune of Rs. 6,39,780/-, and



assessee submitted some documents and evidences before the assessing officer. Therefore, to protect the interest of the revenue and considering the smallness of the amount, an adhoc estimated addition may be made in the hands of the assessee.

11. We have heard both the parties and carefully gone through the submission put forth on behalf of the assessee along with the documents furnished and the case laws relied upon, and perused the fact of the case including the findings of the Id CIT(A) and other materials brought on record. We note that during the assessment proceedings, assessing officer proposed to make the addition in the hands of the assessee to the tune of Rs. 34,08,958/-. However, out of total addition to be made Rs. 34,08,958/-, the assessing officer did not make the addition to the tune of Rs. 27,69,178/-. The assessing officer only made addition of Rs. 6,39,780/-. Considering the fact that assessing officer himself did not make the addition to the tune of Rs. 27,69,178/-, as the assessing officer, observed that in assessee`s case, there was merit, in the documents and evidences submitted by the assessee during the assessment proceedings. However, assessing officer made the addition in the hands of the assessee to the tune of Rs.6,39,780/-, only. For such small addition of Rs.6,39,780/-, the assessee submitted necessary documentary evidences before the assessing officer, relating to agricultural income. However, the assessing officer did not consider these documents and evidences in right perspective.

12. We note that the agricultural income of the assessee is to the tune of Rs. 6,39,780/-, and assessee submitted, sufficient documentary evidences to



prove his claim. However, we find that some of the documents and evidences are self-servicing, documents and evidences on which reliance cannot be placed, therefore, to protect the interest of the revenue, and considering the smallness of the amount an adhoc, estimated addition should be made in the hands of the assessee. Therefore, we find some merit in the contention of the Id. Counsel for the assessee. Hence, we find that while the case of the assessee merits some relief, at the same time entire relief cannot be permitted to the assessee. In our view the ends of justice would be met, if a net profit rate of @ 5% of Rs. 6,39,780/- which comes to Rs. 31,989/-, is adopted, since the same would take care of the inconsistencies, in the various documents and evidences submitted before the lower authorities. Therefore, in order to plug the leakage of revenue, we direct the assessing officer to make addition of Rs. 31,989/-, by applying the normal rate of income tax (not under section 115BBE of the Act). It is also made clear that instant adjudication shall not be treated as a precedent in any preceding or succeeding assessment year.

13. In the result, the appeal of the assessee is partly allowed in above terms.

Order pronounced in the open court on 31-12-2025.

Sd/-
(Dinesh Mohan Sinha)
Judicial Member

Rajkot

Dated: 31/12/2025

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue

Sd/-
(Dr. Arjun Lal Saini)
Accountant Member

//True Copy//



3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Rajkot
6. Guard file.

By order/आदेश से,

Assistant Registrar/Sr. PS/PS
ITAT, Rajkot