

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

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

I.T.A. No. 858/SRT/2024
(Assessment Year: 2014-15)

Pragjibhai Parshotambhai Patel, B-28, Ayodhyanagar, Vijalpore, Navssari-396450 [PAN : AOBPP 7320 R]	Vs.	Income Tax Officer, Ward-4, Navsari
(Appellant)	..	(Respondent)
Appellant represented by :	Shri P.M. Jagasheth, CA	
Respondent represented by:	Shri Ashish Kumar, Sr DR	
Date of Hearing	21.01.2026	
Date of Pronouncement	23.01.2026	

ORDER

PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-

This appeal has been filed by the assessee against the order dated 12.06.2024 passed by the Ld. Addl/JCIT(A)-1, Delhi (hereinafter referred to as the "Ld. CIT(A)"), under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as the "Act") for Assessment Year 2014-15.

2. The assessee has raised multiple grounds of appeal challenging ...
- (i) addition of Rs.10,00,000/- on account of alleged difference in opening cash balance,
 - (ii) addition of Rs.6,58,538/- treated as unexplained cash credit received from sundry debtors, and
 - (iii) addition of Rs.2,08,293/- made by invoking section 50C/43CA of the Act.

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3. The brief facts of the case are that the assessee is engaged in business of trading in agricultural land/plots and declared income on presumptive basis u/s 44AD of the Act. The case was selected for limited scrutiny. During assessment proceedings, the Assessing Officer made the impugned additions, which were confirmed by the Ld. CIT(A).

4. We have heard the rival submissions and perused the material available on record.

5. As regards the addition of Rs.10,00,000/- on account of difference in opening cash balance, we find that the assessee had explained that the difference arose due to a clerical/typographical error while filing the return of income for the preceding year. The cash balance was sought to be supported by past agricultural and business income. It is also an undisputed fact that the assessee has declared income under section 44AD and was not maintaining regular books of account. No material has been brought on record before us by the Revenue to establish that the impugned amount represented unexplained money of the assessee. Therefore, the addition of Rs.10,00,000/- is unsustainable and is directed to be deleted.

6. With regard to the addition of Rs.6,58,538/- treated as unexplained cash credit, we observe that the amount represents recovery from sundry debtors arising out of business transactions. It was submitted that these amounts also form part of the receipts for computation of profits u/s 44AD of the Act during the year. The explanation of the assessee has not been disproved by the Assessing Officer with any cogent evidence. Accordingly, the addition of Rs.6,58,538/- is also directed to be deleted.

7. As regards the addition of Rs.2,08,293/- made by the Assessing Officer by applying section 50C/43CA of the Act, we note that the property sold was held as

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stock-in-trade and the assessee had already declared income on presumptive basis. Further, the addition has been made merely on the basis of stamp duty valuation without bringing any material on record to show that the assessee had received consideration over and above the stated sale consideration. In such circumstances, the addition is not justified. Hence, the same is directed to be deleted.

8. In view of the above discussion, all the additions made by the Assessing Officer and confirmed by the Ld. CIT(A) are deleted. Accordingly, all the grounds raised by the assessee are allowed.

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

This order is pronounced in the open Court on 23.01.2026

Sd/-

(SUCHITRA KAMBLE)
JUDICIAL MEMBER

Surat; Dated 23/01/2026

btk

Sd/-

(DR. B.R.R. KUMAR)
VICE-PRESIDENT

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण ,/DR,ITAT, Surat,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,

TRUE COPY

सहायक पंजीकार (Asstt. Registrar)
आयकर अपीलीय अधिकरण
ITAT, Surat