



आयकर अपीलीय अधिकरण "एस एम सी" न्यायपीठ पुणेमें।
IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC" :: PUNE

BEFORE DR.DIPAK P. RIPOTE, ACCOUNTANT MEMBER
AND
SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.3096/PUN/2025

निर्धारण वर्ष / Assessment Year: 2022-23

Bhimrav Mahtarji Sonwane, At Post Tad Pimpalgaon Ta Kannad Dist Aurangabad, Aurangabad – 431115.	V s	Income Tax Officer, Ward-1(5), Aurangabad.
PAN:CNZPS9338D		
Appellant/ Assessee		Respondent /Revenue

Assessee by	Shri Mukesh Chudiwal
Revenue by	Shri Ajitesh Kumar Meena – Addl.CIT
Date of hearing	28/01/2026
Date of pronouncement	30/01/2026

आदेश/ ORDER

PER DR. DIPAK P. RIPOTE, AM:

This is an appeal filed by the Assessee against the order of Id.Commissioner of Income Tax(Appeal)[NFAC],passed under section 250 of the Income Tax Act, 1961 for the A.Y.2022-23dated 17.10.2025 emanating from the Assessment Order passed under section 143(3) read with section 144B of the Act, dated 28.02.2024.

The Assessee has raised the following grounds of appeal :

“1. The learned CIT(A). NFAC erred in dismissing the appeal ex-parte without considering the written submissions, documents, books of



account, and evidences already submitted before the Investigation Wing and the Assessing Officer, in complete violation of the principles of natural justice and Section 250(6) of the Income-tax Act, 1961.

2. The learned CIT(A) failed to appreciate that the entire addition of ₹11,46,800 made u/s 69A is based solely on a third-party statement recorded u/s 131 and a mobile number allegedly found in a diary, without any corroborative evidence linking the appellant to any cash transaction.

3. The CIT(A) erred in ignoring the undisputed fact that during investigation proceedings the Assistant Director of Income Tax verified signatures and it was found that the signature in the alleged seized record did not match that of the appellant, which fact was not rebutted by the AO nor considered by CIT(A).

4. The learned CIT(A) erred in upholding an addition made on mere suspicion, surmises, and presumption without any evidence of receipt of cash, without bank trail, without call records, without any documentary proof, and without any material to show actual involvement of the appellant.

5. The CIT(A) erred in law by not passing a speaking order and merely reproducing legal case laws on non-prosecution instead of adjudicating each ground on merits as mandated u/s 250(6).

6. The assessment order passed u/s 144 and confirmed by CIT(A) is void since the Assessing Officer failed to provide computation of income, reasons for rejecting explanations, and failed to deal with books of accounts produced before the Investigation Officer.

7. The learned CIT(A) failed to consider that the appellant had no relationship, no financial transaction, and no contact with the so-called third-party Shri Ashish Sahuji, and no evidence was produced by the department establishing any connection.

8. Without prejudice, the addition made u/s 69A is arbitrary, excessive, and contrary to settled judicial principles that third-party statements without cross-examination and without corroboration cannot be the sole basis of addition.



9. *The appellant craves leave to add, amend, modify, or withdraw any grounds of appeal before or during the hearing.*”

Submission of Id.AR :

2. Ld.Authorised Representative(ld.AR) for the Assessee filed following statement of facts :

“1. Background of the Appellant

1.1 The appellant is an individual taxpayer, regularly assessed to tax, and engaged in normal business activities.

1.2 The appellant filed his Return of Income for AY 2022-23 on 26/08/2022, declaring a total income of ₹4,80,850. Self-assessment tax and interest amounting to 11,591 was duly paid, and the return was processed by CPC, Bengaluru.

2. Initiation of Investigation Proceedings

2.1 On 21/09/2022, the appellant received a summons u/s 131(1A) from the Assistant Director of Income Tax (Investigation), Aurangabad. The summons was based on information allegedly received from the DIT (Investigation), Aurangabad.

2.2 The basis of suspicion was that during a search in the case of Shri Ashish Rameshchandra Sahuji, certain diaries and documents allegedly contained a mobile number belonging to the appellant and the appellant's PAN was allegedly included in a list of beneficiaries prepared by the Investigation Wing.

2.3 No incriminating documents, no cash trail, no bank trail, and no material linking the appellant to any financial transaction with Shri Ashish Sahuji were ever found.

3. Personal appearance and cooperation by the Appellant

3.1 The appellant personally appeared before the Investigation Wing on 10/10/2022 and produced:

✓ Books of account



- ✓ *Supporting documents*
- ✓ *Identity documents*
- ✓ *Ledger, cash book, and financial statements*

3.2 *During the proceedings, the appellant unequivocally stated that he had:*

- ✓ *Never met Shri Ashish Sahuji*
- ✓ *Never transacted any amount with him*
- ✓ *No relation with the individual*
- ✓ *No WhatsApp or phone-based communication*

3.3 *Very importantly, during the investigation, the ADIT verified the appellant's signature and compared it with the signatures allegedly present in the diary/seized documents.*

The signatures did NOT match.

This crucial fact was not disputed by the department but was ignored in the assessment and CIT(A) order.

4. Assessment Proceedings and Addition

4.1 *Despite full cooperation during investigation, the Assessment Unit issued a show-cause notice dated 08/02/2024 proposing assessment u/s 147 r.w.s. 144 and suggesting an addition of ₹11,46,800 u/s 69A.*

4.2 *The appellant duly submitted replies both online and personally, reiterating that*

- ✓ *No cash was ever received*
- ✓ *No transaction existed*
- ✓ *No corroborative evidence was produced against him*
- ✓ *Books of account produced showed no such entries*



4.3 The AO, however, made the addition based solely on

- ✓ A third-party statement recorded u/s 131
- ✓ Noting of a mobile number in a diary found during the search with no independent corroboration, no cross-examination, and no material evidence.

Submission of ld.DR :

3. Ld.Departmental Representative(ld.DR) for the Revenue relied on the order of Assessing Officer(AO).

Findings & Analysis :

4. We have heard both the parties and perused the records. In this case, Assessee filed Return of Income for A.Y.2022-23 declaring total income at Rs.4,80,850/-. The Assessing Officer received information from DIT(Investigation)-Aurangabad that during the course of search, in the case of Ashish Rameshchand Sahuji certain diaries and other documents were seized. Statement of Ashish Rameshchand Sahuji was recorded under section 131 of the Act. He stated that transactions in the diaries are cash payments made by him to different persons. It was informed by DIT(Investigation) to the Assessing Officer of the Assessee that Bhimrav Mahtraj Sonwane appears in the said list. Accordingly, Assessing Officer issued notices to the Assessee. Assessee denied



the transaction. The submission made by Assessee during assessment proceedings as appearing in the assessment order is reproduced here as under :

“In response to the above show cause notice, assessee on 06.02.2024 has replied as

"We had received summon u/s 131 (1A) vide ITBA/INV/S/131/2022-23/1045767917(1), in which we were interviewed and also asked to submit the documents as below- 1. Details of business activities carried Assesse is engaged in the business of trading of agricultural commodity viz. Cotton. Assesse purchases the cotton from the farmers and then supplies it. Assesse is a farmer as well and was a full time farmer before starting this business of cotton trading. Agriculture income is his only other source of income.

2. Following is the list of documents attached herewith as directed-

a. Cash Book of FY 20-21, FY 21-22, FY 22-23 (Till date)

b. Monthly Summary of Debit, Credit and Cash Balances

c. Trading account, P&L account, Balance Sheet, Tax Audit Report along with all the prescribed schedules for the FY 20-21, FY 21-22.

d. Income Tax Return Acknowledgements and Computation of Tax Liability for the FY 20-21, FY 21-22. We have duly submitted the documents with the department in physical form within time. We also gave the statement that the said name prescribed in your notice Sri. Ashish Rameshchand Sahuji is a figure who is unknown to us and we are no way in connection with him. We have not received any amount from the said person and we re-iterate the same again in online mode. We are ready to submit all the documents again if required and fully cooperate with the department in this regard but we are in no way related to the same party."



5. After considering the reply of the assessee, Assessing Officer made addition of Rs.11,46,800/- u/s.69A of the Act. The relevant paragraph of the assessment order is reproduced here as under :

Along with above reply, assessee submitted his financial accounts, cash book, computation and bank account statement,

Variation proposed on the basis of inference drawn:

Assessee's reply that he has not received any cash from Sri. Ashish Rameshchand sahuji is not acceptable for the following reasons:

Sri. Ashish Rameshchand sahuji in his statement has already stated that he has made cash payment to the persons whose names are written in these diaries. Further, assessee has accepted that mobile number mentioned on page No. 4 of the diary No.2 belongs to him. Therefore, assessee's consention that he has not received Rs. 11,46,800/- from Sri. Ashish Rameshchand sahuji is prima facie not acceptable.

Hence, the money which was received by assessee from Sri. Ashish Rameshchand sahuji of Rs 11,46,800/- stands unexplained and not offered for taxation. Accordingly, it is treat it as unexplained money and added to the Total Income of the assessee u/s. 69A r.w.s. 115BBE of the Income Tax Act.

Summary of additions made are as under

<i>Sl.No.</i>	<i>Description</i>	<i>Amount in Rs.</i>
<i>1</i>	<i>Returned Income</i>	<i>4,80,850/-</i>
<i>2</i>	<i>Addition u/s.69 A r.w.s 115BBE- as discussed above</i>	<i>11,46,800/-</i>
	<i>Total</i>	<i>16,27,650/-</i>

6. Aggrieved by the assessment order, Assessee filed appeal before the Id.CIT(A) who dismissed the appeal without discussing the merits of the case.



7. In this case, as can be seen from the Assessment Order, Assessee has made elaborate submission during assessment proceedings, rather Assessee had also attended before Investigation Wing in response to summons under section 131 of the Act and filed all the details called-for. Assessee has denied any transaction, any link with Mr.Ashish Rameshchand Sahuji.

8. In spite of this fact, Assessing Officer merely based on the statement of Mr.Ashish Rameshchand Sahuji recorded u/s.131 and some diary made an addition of Rs.11,46,800/-. It is important to mention here that Assessing Officer has nowhere referred any specific page or entry of the so-called diary which was seized during the search in the case of Mr.Ashish Rameshchand Sahuji. Assessing Officer has also not referred the specific questions and answers given by Mr.Ashish Rameshchand Sahuji under section 131 of the Act. It is also apparent that no cross-examination was provided by Assessing Officer. In these facts and circumstances of the case, the addition made in the assessment order is based on surmises and conjectures. No evidence has been brought on record to prove the impugned cash transaction.



9. In these facts and circumstances of the case, we are convinced that there is no merit in the addition made of Rs.11,46,800/-, accordingly, we direct the Assessing Officer to delete the addition. Accordingly, Ground No.2 raised by the assessee is allowed.

10. Since we have adjudicated the Ground No.2 i.e.main ground on merits, remaining grounds become academic in nature, hence, dismissed as unadjudicated.

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

Order pronounced in the open Court on 30 January, 2026.

Sd/-
VINAY BHAMORE
JUDICIAL MEMBER

Sd/-
Dr.DIPAK P. RIPOTE
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 30 Jan, 2025/ SGR

आदेशकीप्रतिलिपिअग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(A), concerned.
4. The Pr. CIT, concerned.
5. विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, "एस एम सी" बेंच, पुणे / DR, ITAT, "SMC" Bench, Pune.
6. गार्डफ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

/ / TRUE COPY / /

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे/ITAT, Pune.