

IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH PANAJI

BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER

I T A. No.352/PAN/2025

(A.Y. 2017-18)

Late Shri Anand alias Vishwanath Mamani through his legal heir Smt.Ratna Anand Mamani, 3138/3, Ramapur site, Saundatti, Belagavi-591126, Karnataka.	Vs .	ITO-Ward-1, Feroj khimjibhai cpx, Civil Hospital Road Belagavi-590001. Karnataka.
PAN,No.AVHPM6615P		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

Assessee by	Sri.Shivananad Halbhavi.AR
Revenue by	Smt.Rijula Uniyal.Sr.DR

सुनवाई की तारीख/Date of Hearing	03.02.2026
घोषणा की तारीख/Date of Pronouncement	04.02.2026

ORDER

PER PAVAN KUMAR GADALE ,JM:

The assessee has filed the appeal against the order of the NFAC/CIT(A) passed u/sec143(3) and u/sec 250 of the Act. The assessee has raised the grounds of appeal challenging the order of the CIT(A) sustaining the addition of unexplained cash deposits under section 68 of the Act made by the Assessing officer.

2. The brief facts of the case are that, the assessee has filed the return of income for A.Y.2017-18 on 05.08.2017 disclosing a total income of Rs.11,93,580/- and the case

was selected for limited scrutiny under the CASS to verify (i) Large cash deposits during the year compared to returned income (ii) Cash deposit during demonetization period and (iii) Large Agricultural income shown in the return of income. The Assessing Officer (AO) based on the CASS reasons /information found that the assessee has made cash deposits aggregating to (i) Rs.11,37,000/- in Canara Bank saundatti branch and (ii) Rs.19,16,000/- in the Union Bank of India saundatti branch during the demonetization period in F.Y.2016-17 and notice was issued u/sec143(2) and u/sec142(1) of the Act to furnish the details of sources of cash deposits, agricultural income and land holdings and the assessee has partially complied. The A.O. has issued notice U/sec 133(6) of the Act on the two banks and obtained bank statements of the assessee. The A.O has issued a final show cause notice referred at Para 4 of the assessment order and there was no compliance. Whereas the A.O. has dealt on the material available on record and the provisions of section 68 of the Act and made addition of unexplained cash deposits of Rs.28,53,000/- and assessed the total income of Rs.40,46,580/- and passed the order u/sec 143(3) of the Act dated 05.12.2019.

3. Aggrieved by the order, the assessee has filed an appeal before the CIT(A), whereas the CIT(A) has considered the grounds of appeal, statement of facts and findings of the AO but has sustained the action of the A.O and dismissed

the assessee appeal. Aggrieved by the order of the CIT(A), the assessee has filed an appeal before the Hon'ble Tribunal.

4. At the time of hearing, the Ld.AR submitted that the CIT(A) has erred in confirming the action of the Assessing officer overlooking the information of the proceedings. The Ld.AR mentioned that the CIT(A) has not dealt on the details, documents and evidences filed in the appellate proceedings to substantiate the sale of agricultural crops and cash deposits in bank accounts and prayed for allowing the appeal. The Ld.AR supported the submissions with the factual paper book. Per Contra, the Ld.DR supported the order of the CIT(A).

5. Heard the rival submissions and perused the material on record. The sole crux of the disputed issue envisaged by the Ld.AR that the CIT(A) has erred in sustaining the addition on unexplained cash deposits made by the Assessing Officer without providing proper opportunity and overlooking the facts and material evidences. The assessee has filed the details before the lower authorities and the CIT(A) has not considered the documents and information supporting the claim of the assessee. The Ld.AR highlighted on the submissions made in the proceedings at page 27 to 38 of the paper book to substantiate the earning of agriculture income, cash with drawls, opening balance to substantiate the cash deposits in the bank

accounts and the assessee has a good case on merits. Prima-facie, the CIT(A) has dealt on the findings of the AO and has not considered the submissions/evidences of the assessee filed in the proceedings referred and has not allowed the grounds of appeal. Therefore, considering the facts, submissions and principles of natural justice, shall provide with one more opportunity of hearing to the assessee to substantiate the case with evidences and information. Accordingly, set aside the order of the CIT(A) and remit the entire disputed issues to the file of the CIT(A) to adjudicate afresh and the assessee should be provided adequate opportunity of hearing and shall cooperate in submitting the information for early disposal of the appeal. And the grounds of appeal of the assessee are allowed for statistical purposes.

6. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced on 04/02/2026 as per rule 34(5) of the ITAT Rules 1963.

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Panaji Dated: 04/02/2026

Copy of the Order forwarded to:

1. The Appellant,
2. The Respondent
3. The CIT(A)-
4. CIT

5. DR, ITAT, Mumbai
6. Guard file.

//True Copy//

BY ORDER,
(Asstt. Registrar)ITAT,
Panaji.

		Date	<u>Initial</u>	
1.	Draft dictated on			PS
2.	Draft placed before author			PS
3.	Draft proposed & placed before the second member			PS
4.	Draft discussed/approved by Second Member.			PS
5.	Approved Draft comes to the Sr.PS/PS			PS
6.	Kept for pronouncement on			
7.	File sent to the Bench Clerk			
8.	Date on which file goes to the AR			
9.	Date on which file goes to the Head Clerk.			
10.	Date of dispatch of Order.			
11.	Dictation Pad is enclosed			

*ITA. No.352/PAN/2025
Anand Alias Vishwanath Mamani through legal heir
smt Ratna Anand Mamani..*