

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "E": NEW DELHI
BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

**ITA No. 5095/Del/2025
(Assessment Year: 2013-14)**

Arjun Singh, H. No. 1014, Prithla, Palwarl, Haryana	Vs.	Income Tax Officer, Ward-1(1), Faridabad
(Appellant)		(Respondent)
PAN: EICPS8476L		

Assessee by :	Shri Charitra Gupta, CA Shri Deepak Garg, CA
Revenue by:	Ms. Ankush Kalra, Sr. DR
Date of Hearing	17/02/2026
Date of pronouncement	17/02/2026

O R D E R

PER M. BALAGANESH, AM

1. The appeal in ITA No.5095/Del/2025 for AY 2013-14, arises out of the order of the Id National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. CIT(A)', in short] dated 27.01.2025 against the order of assessment passed u/s 143(3) r.w.s. 147 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 28.12.2018 by the Assessing Officer, ITO, Ward-1(1), Faridabad (hereinafter referred to as 'Id. AO').
2. The only issue to be decided in this appeal is as to whether the Id CIT(A) was justified in confirming the addition made by the Id AO in the sum of

₹61,50,000/- as income from undisclosed sources in the facts and circumstances of the instant case.

3. We have heard the rival submissions and perused the materials available on record. The assessee is a farmer in a village in Haryana and derived income only from agricultural activities and hence not liable to file any income tax return. The assessee during the year under consideration had sold a part of ancestral agricultural land to one Shri Ram Niwas, S/o Shri Tej Ram who later got it registered in the name of his grandfather Shri Deep Chand. The assessee received advance in cash of ₹1.18 crores against the proposed sale of part of ancestral agricultural land. The sale deed was finally registered on 11.03.2013 for ₹1.18 crores. The copy of the sale deed together with the complete revenue records are enclosed in pages 21 to 39 of the paper book filed before us. It is pertinent to note that the registered sale deed duly captures the payment of advance of ₹1.18 crores paid in cash by the buyer to the assessee. Further, during the course of assessment proceedings, the Id AO recorded a statement of the assessee u/s 131(1) of the Act on oath on 14.12.2018, where the assessee had duly confirmed the aforesaid transactions and also stated that the cash receipts by the assessee had been deposited in the bank account of the assessee, apart from receipt of cheque of ₹4.66 Crores on sale of ancestral agricultural land, even though registry was done only for ₹1.18 crores. It is pertinent to note that the Id AO had not whispered about the receipt of amounts of cheque amounting to ₹4.66 Crores on sale of agricultural land in his assessment order and had not even sought to tax the same in the assessment. Since, this is not the subject matter of adjudication, we are not going into the said aspect. The statement on oath taken from the assessee clearly shows both cheque receipts as well as cash receipts on sale of ancestral agricultural land.

The assessee had deposited ₹1,22,50,000/- in his bank account till 12.03.2013 in his bank account. The assessee has withdrawn cash from till 12.03.2013 in the sum of ₹61,50,000/-, which was accepted by the AO as available cash source. Further for the remaining sum of ₹61 lakh, the assessee had sufficient cash balance in the form of advance received on sale of ancestral agricultural land in the sum of ₹1.18 crores. This fact is proved beyond reasonable doubt since the registration of sale deed contained the receipt of cash of ₹1.18 crores by the assessee. Hence, the explanation offered by the assessee that ₹1.18 crores was received in cash on sale of ancestral agricultural land deserves to be accepted and consequentially the same is available as a cash source to explain the cash deposit made in the bank account. Hence, there cannot be any addition that could be made in the hands of the assessee on account of cash deposit. Accordingly, grounds raised by the assessee on merits are allowed. Since, the relief is granted to the assessee on merits, the other legal grounds raised by the assessee need not be gone into and they are left open.

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

Order pronounced in the open court on 17/02/2026.

-Sd/-
(MAHAVIR SINGH)
VICE PRESIDENT

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 24/02/2026
A K Keot

Copy forwarded to

1. Applicant

2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi