

**THE INCOME TAX APPELLATE TRIBUNAL  
SURAT "SMC" BENCH, SURAT**

**Before Dr. BRR Kumar, Hon'ble Vice President  
And Ms. Suchitra Kamble, Judicial Member**

**ITA Nos. 376 & 1175/Srt/2025  
Assessment Year 2017-18**

Bharatsinh Jaysinh Varachhia, Pathshala Faliya, At & PO Daheli, Daheli Valiya, Bharuch-393125 PAN: AJCPV0431B (Appellant)	Vs	The ITO, Ward: 1(1) Bharuch (Respondent)
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**Assessee by: Shri Hemant Suthar, C.A.  
Revenue by: Shri Ashish Kumar, Sr. D.R.**

Date of hearing : 22-01-2026  
Date of pronouncement : 27-02-2026

**आदेश/ORDER**

**Per Suchitra Kamble, Judicial Member:**

These two appeals are filed against the orders both dated 22-09-2023 & 24-09-2025 respectively passed by National Faceless Appeal Centre (NFAC), Delhi for assessment year 2017-18.

2. The grounds of appeals are as under:-

**ITA No. 376/Srt/2025**

*"1. The Ld. CIT(A), National Faceless Appeal Centre (NFAC), Delhi has erred in law and in facts in confirming the action of the Ld. A.O. in the addition of Rs. 11,02,355/- being amount deposited in various bank accounts treating the same as unexplained money*

*u/s. 69A, the impugned addition of Rs. 11,02,355/- being bad in law and in facts is prayed to be deleted.*

*2. Your appellant craves liberty to add, alter, amend substitute or withdraw any of the grounds of appeal hereinabove contained.”*

**ITA No. 1175/Srt/2025**

*“1. The ld CIT(A), National Faceless Appeal Centre (NFAC), Delhi has erred in law and in facts in confirming the action of the Ld. A.O. in levying a penalty of Rs. 66,141/- u/s. 271AAC(1) of the I.T. Act. The levy of Rs. 66,141/- being bad in law and in facts is prayed to be deleted.*

*2. Your appellant craves liberty to add, alter, amend substitute or withdraw any of the grounds of appeal hereinabove contained.”*

3. The Assessing Officer observed that the assessee deposited cash of Rs. 10,85,500/- in Baroda Gujarat Gramin Bank during the demonetization period. The assessee has not filed return of income for assessment year 2017-18 u/s. 139 of the Act. Notice u/s. 142(1) of the Act was issued to the assessee on 09-03-2018 requesting to furnish return of income for assessment year 2017-18 by 31-03-2018. Since the assessee has not filed the return of income and has not given the details, the Assessing Officer obtained information u/s. 133(6) of the Act from the Baroda Gujarat Gramin Bank. As per the bank statements, the Assessing Officer observed that the assessee has not explained cash deposit to the extent of Rs. 5,80,000/- out of the cash deposited during demonetization period, Rs. 2,90,000/- out of cash deposits during other than demonetization period and non-cash credits to the extent of Rs. 11,47,638/- out of non-cash credits during the year under consideration. Thus, the Assessing Officer made addition to the extent of Rs. 11,02,355/- which was credited into assessee’s bank accounts and treated the said amount as unexplained money u/s. 69A of the Act.

4. Being aggrieved by the assessment order, the assessee filed appeal before the CIT(A). The CIT(A) partly allowed the appeal of the assessee.

5. There is a delay of 484 days in filing the present appeal for which the assessee has filed application for condonation of delay thereby stating that the assessee was not having email address and has provided email address of his tax consultant before the CIT(A). The ld. A.R. submitted that the said consultant has not taken cognizance of the notices and therefore the assessee was not aware about the order of the CIT(A) within the prescribed time to file the appeal. The explanation given by the assessee appears to be genuine, hence the delay is condoned.

6. The ld. A.R. submitted that the assessee filed his reply dated 27-09-2019 before the Assessing Officer but the same was partially taken into account. The ld. A.R. submitted that the assessee is a farmer and derives income from agricultural activities. The assessee deposited Rs. 6,00,000/- under the KCC loan account on 11-11-2016. The ld. A.R. also submitted that the assessee has categorically mentioned in para 3 of the said reply before the Assessing Officer about Rs. 1,00,000/- amount deposited to assessee's car loan account from his earlier year's income saving. The Assessing Officer has only taken the cash deposits and cash withdrawals to the extent of Rs. 5,80,000/- + Rs. 2,90,000/-. But this amount was that of agricultural income along with the loan account deposits

through agricultural income. The assessee has given the details of sales invoices and agricultural produce invoices along with land documents and agricultural income proof which was totally ignored by the Assessing Officer. The CIT(A) has not taken cognizance of the same and confirmed the addition partially which is not justifiable.

7. The ld. D.R. relied the assessment order and the order of the CIT(A).

8. We have heard both the parties and perused the material on record. It is pertinent to note that the assessee is having the agricultural land of 18 acres and carrying out agricultural activities including the cash crop such as kapas (cotton). The assessee has given the details of transfer from KCC loan account as well as transfer from vehicle loan account which duly considered by the Assessing Officer. But the agricultural income which was mainly into cash and the said cash deposited by the assessee from time to time in the bank account, was not at all considered by the Assessing Officer. The CIT(A) has also not taken into account of the sales invoices and the product invoices along with the earlier years agricultural income proof of the assessee. Thus, despite giving details, the Assessing Officer as well as the CIT(A) made the addition which is not justifiable. Hence the appeal of the assessee is allowed.

9. ITA No. 1175/Srt/2025 is related to the penalty imposed u/s. 271AAC(1) of the Act, the same also does not survive.

10. In the result, both the appeals are allowed.

Order pronounced in the open court on 27-02-2026

**Sd/-**  
**(Dr. BRR Kumar)**  
**Vice President**  
**Ahmedabad : Dated 27/02/2026**

**Sd/-**  
**(Suchitra Kamble)**  
**Judicial Member**

a.k.

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

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Surat
6. Guard file.

By order,  
Assistant Registrar,  
Income Tax Appellate Tribunal,  
Surat