

IN THE INCOME TAX APPELLATE TRIBUNAL
"A" BENCH, AHMEDABAD
BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT
SHRI T.R. SENTHIL KUMAR, JUDICIAL MEMBER

I.T.A. No.604/Ahd/2025
(Assessment Year: 2018-19)

Jigar Patel, 3 Charotar Patel Co-op. HSG Soc. Opp. Swaminarayan Temple, Maninagar, Ahmedad-380006. [PAN : AFNPP3003 J]	Vs.	The Income Tax Officer, Ward-5(3)(1), Ahmedabad
(Appellant)	..	(Respondent)

Appellant by :	None
Respondent by:	Shri B.P Srivastava, Sr DR
Date of Hearing	02.06.2025
Date of Pronouncement	26.06.2025

ORDER

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

This appeal is filed by the Assessee against the appellate order dated 04.03.2025 passed by the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre, Delhi, relating to the Assessment Year 2018-19.

2. The assessee has raised the following ground of appeal:

1. *The Learned CIT(A) erred in law and on facts in confirming addition of Rs.49,55,101/- made by the learned ITO (Assessment Unit) as unexplained cash credit u/s.68 of the Act. The Addition confirmed by the learned CIT(A) NFAC deserves to be deleted. The same be deleted now.*
2. *The Learned CIT(A) has erred in properly appreciating the facts, various submissions, explanations and information submitted by the appellant during the assessment proceedings which ought to have been considered in proper perspective before passing the impugned order.*
3. *The order passed by the Learned CIT(A) NFAC is invalid and bad in law. It be so held now.*
4. *The appellant crave to add, amend, alter, delete, change or modify any or all grounds of appeal before or at the time of hearing.*

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3. The brief facts of the case are that assessee e-filed his return of income on 31.07.2018 for the AY 2018-19 declaring total income at Rs.5,48,790/- and agriculture income of Rs.75,54,376/-. The case was selected for scrutiny under CASS under selection criteria "Agricultural Income". In response to several statutory notices issued to the assessee to furnish details about the agricultural activities, the assessee's representative Shri Shailesh C Parikh & Co. CAs submitted reply. The AO on examination of the entire case, came to the conclusion that for the year under consideration which witnessed widespread calamity i.e. Gujarat 2017 floods, the agricultural income cannot be more and the reply given by the assessee was nothing but a concocted story. The AO completed the assessment u/s.143(3) r.w.s 143(3A) & 143(3B) of the Act dated 18.03.2021, considering Rs.25,99,275/- as the agriculture income was held as income from the unexplained sources shown as agricultural income and Rs.49,55,101/- (i.e. Rs.75,54,376 - Rs.25,99,275) was treated as unexplained cash credit u/s.68 of the Act.

4. Aggrieved assessee filed an appeal before the Ld.CIT(A), who dismissed the appeal of the assessee by observing as under:

"...Having considered the factual matrix of the case, I find that during the year under consideration, the assessee had shown net agricultural income of Rs.75,54,376/- which was a three fold jump from the previous year's agricultural income. It has been observed by the AO that the assessee has got 91 Vighas of agricultural land. Gujarat Agricultural Land ceiling Act 1960 does not apply to him. But before the AO, the assessee did not give details of crops grown and sought adjournments. However, he filed a computerized ledger extracts of CASH Agricultural income which gave an impression that throughout the year, the assessee grew same types of produce – vegetables of bitter gourd, bottle gourd, brinjal, lemon, tomato chilly. The said ledger shows sale of agricultural produce almost on a daily basis and of almost same degree. The AO required the assessee to explain the reasons as to how the net agricultural income of the previous year 2017-18 has grown three times to Rs.75,54,376/- from the corresponding figure of the preceding fiscal of Rs.25,99,275/- and other details. The assessee submitted that the rise in agricultural income was due to reduction in agricultural expenses from 76.6% in the FY 2016-17 to 43.94% in the relevant previous year. He attributed this reduction to cutting down cost, experiences gathered etc. the submissions of the assessee did not find favour with the AO. The AO found that during the year under consideration, the state of Gujarat witnessed heavy floods

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causing damage to crops. I find great force in the argument of the AO that three times hike in net agricultural income in a year and that too, in the year of natural calamity was unbelievable and unsupported by documents. No proof in this regard was submitted by the assessee during the assessment or appellate proceedings. The photos of vegetables submitted during the assessment proceedings do not rebutted the findings of the AO and this ground of appeal remain unsubstantiated. In the circumstances, I do not have any reason but to sustain the well reasoned and speaking order of the AO estimating the agricultural income of the assessee at Rs.25,99,275/- and holding the balance income of Rs.49,55,101/- (Rs.75,54,376 – Rs.25,99,275) as income from the unexplained sources shown as agricultural income and added u/s.68 of the Act...”

5. On going through the record before us and after examining the matter on merits, we hold that the explanation of the assessee that there has been hike in agricultural income by three times in the current year and expenses have gone down from 76% to 43% cannot be held to be reasonable, logical and acceptable. We are in agreement with the Ld. CIT(A)'s observation in confirming the addition on merits of the case.

6. In the result, the appeal of the assessee is dismissed.

The order is pronounced in the open Court on 26.06.2025

Sd/-

Sd/-

(T.R. SENTHIL KUMAR)
JUDICIAL MEMBER

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

Ahmedabad; Dated 26.06.2025

MV

आदेश की प्रतिलिपि □ ग्रेषित/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, अहमदाबाद / DR, ITAT, Ahmedabad
6. गार्ड फाईल / Guard file.

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आदेशानुसार/ BY ORDER,

सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, अहमदाबाद / ITAT, Ahmedabad