

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“SMC” BENCH, AGRA**

**BEFORE HON’BLE SHRI SATBEER SINGH GODARA, JM AND  
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकरअपील सं./ ITA No.326/Agr/2024**  
**(निर्धारणवर्ष / Assessment Year: 2017-18)**

<b>Shri Shailesh</b> S/o Siya Ram, M/s Purna Trading Co. 18b, Naveen Mandi Sthal Etah - 207001	<b>बनाम/ Vs.</b>	<b>ITO Ward 4(3)(2)</b> Etah
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>CCBPS-0675-N</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकीओरसे/ <b>Appellant by</b>	:	Shri Deependra Mohan (CA)- Ld.AR
प्रत्यर्थीकीओरसे/ <b>Respondent by</b>	:	Shri Shailendra Shrivastava – Ld. Sr. DR

सुनवाईकीतारीख/ <b>Date of Hearing</b>	:	13-02-2025
घोषणाकीतारीख / <b>Date of Pronouncement</b>	:	13-02-2025

**आदेश / ORDER**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2017-18 arises out of the order of learned Addl. / Joint Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 01-07-2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) of the Act on 11-12-2019.
2. The assessee is stated to be engaged in trading of foodgrains and the assessee declared net profit of 8.06% on sales of Rs.51.38 Lacs. However, the assessee made cash withdrawals of Rs.746.45 Lacs. The assessee, *inter-alia*, explained that he sold foodgrains on his own behalf

as well as on behalf of other farmers. The cash withdrawals were distributed to the farmers against sale of their respective agricultural produce. However, Ld. AO, upon perusal of financial statements, concluded that the assessee did not disclose three bank accounts and the transactions in these bank accounts were undisclosed transactions which were not reflected in the regular books of accounts. The details of these bank accounts have been tabulated in para-7 of the assessment order. In the absence of any cogent explanation forthcoming from the assessee, Ld. AO estimated commission income of 3% against cash withdrawals of Rs.746.45 Lacs and added additional amount of Rs.22.39 Lacs to the returned income of Rs.3.59 Lacs and framed the assessment. The Ld. CIT(A) confirmed the same against which the assessee is in further appeal before us. The only plea urged by Ld. AR is to make reasonable estimation of income considering the fact that the assessee was dealing in perishable commodities. The Ld. Sr. DR opposed any interference in the orders of lower authorities.

3. We note that the assessee act as *Kaccha Galla Arhati* making sale and purchase of foodgrains on behalf of poor farmers who happened to fall in unorganized sector. The assessee deal in perishable commodities wherein stock losses could not be ruled out. Further, the estimated rate of 3% is not supported by any comparable instance. Considering all these facts, we direct Ld. AO to estimate the commission @1% on impugned withdrawals and re-compute the income of the assessee.

4. The appeal stands partly allowed.

*Order pronounced on 13<sup>th</sup> February, 2025.*

*Sd/-*  
**(SATBEER SINGH GODARA)**  
**न्यायिक सदस्य / JUDICIAL MEMBER**

*Sd/-*  
**(MANOJ KUMAR AGGARWAL)**  
**लेखक सदस्य / ACCOUNTANT MEMBER**

Dated: 13-02-2025

*Mks*

**आदेश की प्रतिलिपि ँ ग्रेषित / Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AGRA