

IN THE INCOME TAX APPELLATE TRIBUNAL, RANCHI BENCH, RANCHI

BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

ITA No. 63/Ran/2023

(Assessment Year: 2015-16)

Pawan Kumar Jaiprakash Gupta, Sri Nagar Road, Road No. 3, Harmu Road, Doranda, Ranchi-834002 (Jharkhand) PAN No. AJEPG 7529 D	Vs.	I.T.O., Ward-1(1), Ranchi, AO Passing Assessment Order, ITO, Ward-3(2), Kalyan.
Appellant/ Assessee		Respondent/ Revenue

Assessee represented by	Sri M.K. Choudhary, A.R.
Department represented by	Shri Khub Chand Pandya, Sr. DR
Date of hearing	10/06/2025
Date of pronouncement	10/06/2025

ORDER

PER: BENCH

1. This is an appeal filed by the assessee against the order of the learned CIT(A), NFAC in appeal No. CIT(A), Thane-1/10503/2017-18 dated 30/11/2022 for the A.Y. 2015-16.
2. Shri M.K. Choudhary, Id. A.R. is represented on behalf of the assessee and Shri Khub Chand Pandya, Id. Sr.DR is represented on behalf of the revenue.
3. It was submitted by the Id. AR that the assessee is a small time manufacturer of school bags and travelling bags. It was submission that the turnover of the assessee was Rs. 9,85,000/-. It was a submission that the assessee had disclosed an income of Rs. 2,85,440/- in his return of income. It was a submission that in the course of assessment, it was noticed that the assessee had huge cash deposits aggregating to nearly Rs. 1.25 crore in his bank

accounts. The Assessing Officer on the ground that the assessee did not cooperative in the assessment proceedings, treated the entire deposits in the bank accounts as an income of the assessee. It was a submission that on appeal, the Id. CIT(A) without considering the submissions of the assessee, confirmed the assessment. It was a submission by the Id. AR that the assessee wanted to take a bank loan and bank had advised him to increase the number of transactions in his accounts. Consequently, the assessee had been depositing cash and withdrawing cash from the bank accounts of the assessee and this had resulted in the total credits in the accounts of assessee being at Rs. 1.25 crore. It was a submission that he had no objection if the bank credit of the bank accounts were considered as the income of assessee.

4. In reply, the Id. Sr.DR submitted that the turnover of the assessee being Rs. 9,85,000/- and the assessee had disclosed the income of Rs. 2,85,440/-, the N.P. rate has itself come to 33%. It was a prayer that at least N.P. rate may be applied.
5. We have considered the rival submissions. We have also perused the passbooks in respect of Bank of India, ICICI Bank and IDBI Bank maintained by the assessee. A perusal of the said bank accounts clearly shows that there are deposited of cash in the bank accounts and immediately thereafter there is cash withdrawals. Normally in such a situation, the best method to assess the income would be to treat the difference between the credits and debits as the income of the assessee. This would in any case in the present situation below the income disclosed by the assessee. This being so, in the interest of justice, we are of the view that the peak credit in the bank accounts of the assessee can be treated as

the income of the assessee. In the result, the Assessing Officer is directed to assessee the peak credit in respect of the three bank accounts as the income of the assessee.

6. In the result, this appeal of the assessee is partly allowed.

Order announced in open court on 10th June, 2025.

Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER

Sd/-
(GEORGE MATHAN)
JUDICIAL MEMBER

Ranchi, Dated: 10/06/2025

**Ranjan*

Copy to:

1. Assessee
2. Revenue
3. CIT
4. DR
5. Guard File

By order

Sr. Private Secretary, ITAT, Ranchi