

**IN THE INCOME TAX APPELLATE TRIBUNAL BENCH-RANCHI**  
**VIRTUAL HEARING AT KOLKATA**

**Before Shri Sonjoy Sarma, Judicial Member  
and Shri Ratnesh Nandan Sahay, Accountant Member**

**I.T.A. No.461/Ran/2024**  
Assessment Year: 2016-17

**Anil Kumar Mandal.. .....Appellant**  
Fathepur, Balapokhar Rajmahal,  
Jharkhand-816109.  
[PAN: BKHPM1302H]

vs.

**ITO, Sahibganj.....Respondent**

**Appearances by:**

Shri R R Mittal, CA, appeared on behalf of the appellant.

Shri Sumit Dasgupta, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : December 11, 2025

Date of pronouncing the order : December 18, 2025

**ORDER**

**Per Sonjoy Sarma, Judicial Member:**

This appeal filed by the assessee is directed against the order of the NFAC, Delhi (hereinafter referred to as "Id. CIT(A)") dated 23.10.2024 passed under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as the "Act").

2. Brief facts of the case are that, based on information available with the Assessing Officer, it was found that the assessee had deposited cash amounting to ₹44,73,800 in a savings bank account during the relevant assessment year. On account of such cash deposits, the case of the assessee was reopened under section 147 of the Income-tax Act, 1961 after recording reasons and obtaining the necessary approval from the competent authority. Consequently, notice under section 148 of the Act was issued to the assessee for filing the return of income. However, the assessee did not file the return of income nor complied with the notices issued under section 142(1) of the Act. In the absence of any compliance, the Assessing Officer completed the assessment ex parte and treated the entire cash deposit of ₹44,73,800 in the savings bank account as

unexplained money and added the same to the total income of the assessee under section 69A of the Act.

3. Aggrieved, the assessee preferred an appeal before the learned CIT(A) and contended that the Assessing Officer had not mentioned the correct bank account details in the assessment order and that the actual cash deposits made by the assessee during the year amounted only to ₹18,64,307. On the basis of bank statements furnished by the assessee, the learned CIT(A) accepted the contention partly and restricted the addition to ₹18,64,307, directing the Assessing Officer to consider the said amount in accordance with law.

4. Still aggrieved, the assessee is in appeal before the Tribunal. The learned Authorised Representative submitted that there was no bank account in which cash deposits of ₹44,73,800 were made, as alleged by the Assessing Officer, and that the total cash deposits during the year were only ₹18,64,307. It was further submitted that even assuming the said deposits represented business turnover, only a reasonable profit element could be brought to tax. It was argued that by applying a profit rate of 20% on such turnover, the taxable income would work out to approximately ₹3,72,861/-, which would meet the ends of justice.

5. On the other hand, the learned DR supported the orders of the lower authorities and submitted that the assessee failed to comply with statutory notices, compelling the Assessing Officer to complete the assessment ex parte. It was further submitted that the relief granted by the learned CIT(A) was justified.

6. We, after considering the rival submissions and perusing the material available on record, we find that the Assessing Officer proceeded on an incorrect factual premise while making the addition of ₹44,73,800, as the bank account reflecting such deposits was not established. The learned CIT(A), after examining the bank statements, has correctly held that the actual cash deposits made by the assessee during the relevant

assessment year were only ₹18,64,307. We further find merit in the contention of the assessee that the cash deposits represent business receipts. In such circumstances, it would be appropriate to estimate income by applying a reasonable profit rate. Considering the facts of the case, we are of the view that applying a net profit rate of 20% on the total cash deposits of ₹18,64,307 would be fair and reasonable. Accordingly, the income of the assessee is estimated at ₹3,72,861/- (rounded off). Consequently, the addition sustained by the learned CIT(A) in excess of ₹3,72,861/- is set aside. The Assessing Officer is directed to compute the total income of the assessee at ₹3,72,861/- and levy tax accordingly in accordance with law. Accordingly, the appeal of the assessee is partly allowed.

7. In the result, the appeal of the assessee is partly allowed.

***Kolkata, the 18<sup>th</sup> December, 2025.***

Sd/-  
**[Ratnesh Nandan Sahay]**  
**Accountant Member**

Sd/-  
**[Sonjoy Sarma]**  
**Judicial Member**

Dated: 18.12.2025.

RS

*Copy of the order forwarded to:*

1. Appellant
2. Respondent
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches